

ALBARAKA ISLAMIC BANK B.S.C. (E.C.)
(Incorporated in Bahrain with limited liability)
PAKISTAN BRANCHES
BALANCE SHEET AS AT DECEMBER 31, 2007

	Note	2007	2006
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	8	3,480,878	3,355,669
Balances with other banks	9	4,131,352	4,259,426
Due from financial institutions		-	-
Investments	10	1,153,825	1,166,870
Financings	11	12,585,549	9,693,182
Operating fixed assets	12	102,697	71,418
Deferred tax assets		-	-
Other assets	13	622,812	321,697
		<u>22,077,113</u>	<u>18,868,262</u>
LIABILITIES			
Bills payable	14	231,462	155,680
Due to financial Institutions	15	1,309,411	1,895,027
Deposits and other accounts	16	16,964,566	13,821,441
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities	17	144,026	78,860
Other liabilities	18	982,895	726,248
		<u>19,632,360</u>	<u>16,677,256</u>
NET ASSETS		<u><u>2,444,753</u></u>	<u><u>2,191,006</u></u>
REPRESENTED BY			
Head office capital account	19	2,046,185	2,036,390
Reserves		-	-
Unremitted profit		400,348	154,820
		<u>2,446,533</u>	<u>2,191,210</u>
(Deficit)/Surplus on revaluation of assets	20	(1,780)	(204)
		<u><u>2,444,753</u></u>	<u><u>2,191,006</u></u>
CONTINGENCIES AND COMMITMENTS	21	-	-

The annexed notes 1 to 41 form an integral part of these financial statements.

SHAFQAAT AHMED
Country Head

AYYAZ AHMAD
Chief Financial Officer

ALBARAKA ISLAMIC BANK B.S.C. (E.C.)
(Incorporated in Bahrain with limited liability)
PAKISTAN BRANCHES
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2007

	Note	2007	2006
		Rupees in '000	
Profit / return on financings, investments and placements earned	22	1,493,035	1,111,711
Return on deposits and other dues expensed	23	1,089,913	824,124
Net spread		<u>403,122</u>	<u>287,587</u>
Provision against non-performing financings	24	(17,277)	(880)
Provision for diminution in the value of investments		-	-
Bad debts written off directly		-	-
		<u>(17,277)</u>	<u>(880)</u>
Net spread after provisions		385,845	286,707
OTHER INCOME			
Fee, commission and brokerage income		126,749	99,774
Dividend income		8,642	11,038
Income from dealing in foreign currencies		82,166	52,157
Net Gain on sale of investments	25	50,834	1,775
Unrealized loss on revaluation of investments classified as held for trading		(5,225)	(21,424)
Other income	26	987	2,565
Total other income		<u>264,153</u>	<u>145,885</u>
		649,998	432,592
OTHER EXPENSES			
Administrative expenses	27	335,010	261,067
Other provisions / write offs		163	(289)
Other charges	28	283	1,391
Total other expenses		<u>335,456</u>	<u>262,169</u>
		314,542	170,423
Extra ordinary/unusual items		-	-
PROFIT BEFORE TAXATION		<u>314,542</u>	<u>170,423</u>
Taxation – Current	29	2,889	777
- Prior years		-	-
- Deferred	29	66,125	25,707
		<u>69,014</u>	<u>26,484</u>
PROFIT AFTER TAXATION		<u>245,528</u>	<u>143,939</u>
Unremitted profit brought forward		154,820	349,735
Unremitted profit		<u>400,348</u>	<u>493,674</u>
Basic Earnings per share	30	-	-
Diluted Earnings per share	30	-	-

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PAKISTAN BRANCHES
CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2007

	Note	2007	2006
CASH FLOW FROM OPERATING ACTIVITIES		Rupees in '000	
Profit before taxation		314,542	170,423
Dividend income		(8,642)	(11,038)
		<u>305,900</u>	<u>159,385</u>
Adjustments:			
Depreciation		19,714	17,896
Amortization		1,929	1,835
Provision against non-performing Financings		17,277	880
Gain on sale of fixed assets		(987)	(2,565)
Gain on sale of "available for sale " securities		(20,243)	-
Other provisions		-	(289)
Unrealized (gain)/loss on revaluation of investments classified as held for trading		(16,948)	21,424
		<u>742</u>	<u>39,181</u>
		<u>306,642</u>	<u>198,566</u>
(Increase) / decrease in operating assets			
Held-for-trading securities		27,488	(51,089)
Financings		(2,909,644)	(2,275,934)
Others assets (excluding advance taxation)		(271,160)	(145,091)
		<u>(3,153,316)</u>	<u>(2,472,114)</u>
Increase / (decrease) in operating liabilities			
Bills payable		75,782	64,655
Borrowings from financial institutions		(597,765)	442,945
Deposits		3,143,125	3,509,608
Other liabilities (excluding current taxation)		256,648	223,003
		<u>2,877,790</u>	<u>4,240,211</u>
		<u>31,116</u>	<u>1,966,663</u>
Income tax paid		(33,014)	(7,310)
Net cash flow from operating activities		<u>(1,898)</u>	<u>1,959,353</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		25,243	(55,000)
Net investments in held-to-maturity securities		(5,029)	(977,773)
Dividend income		8,810	10,750
Investments in operating fixed assets		(53,297)	(23,774)
Sale proceeds of operating fixed assets disposed-off		1,362	2,936
Net cash flow from investing activities		<u>(22,911)</u>	<u>(1,042,861)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Remittances from head office		-	-
Remittances made to head office		-	(338,854)
Net cash flow from financing activities		-	(338,854)
Effects of exchange rate changes on cash and cash equivalents		9,795	33,581
Increase in cash and cash equivalents		<u>(15,014)</u>	<u>611,219</u>
Cash and cash equivalents at beginning of the year		7,615,095	7,003,876
Cash and cash equivalents at end of the year	31	<u><u>7,600,081</u></u>	<u><u>7,615,095</u></u>

The annexed notes 1 to 41 form an integral part of these financial statements.

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ALBARAKA ISLAMIC BANK B.S.C. (E.C.)
(Incorporated in Bahrain with limited liability)
PAKISTAN BRANCHES
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2007

	Head office capital account	Unremitted profit	Total
	-----Rupees in '000-----		
Balance as at January 01, 2006	2,002,809	349,735	2,352,544
Profit for the year	-	143,939	143,939
Remittances made to head office	-	(338,854)	(338,854)
Exchange adjustments on revaluation of capital	33,581	-	33,581
Balance as at December 31, 2006	2,036,390	154,820	2,191,210
Profit for the year	-	245,528	245,528
Exchange adjustments on revaluation of capital	9,795	-	9,795
Closing balance December 31, 2007	<u>2,046,185</u>	<u>400,348</u>	<u>2,446,533</u>

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ALBARAKA ISLAMIC BANK B.S.C. (E.C.)

8. CASH AND BALANCES WITH TREASURY BANKS	Note	2007 Rupees in '000	2006
In hand			
Local currency		121,491	143,689
Foreign currencies		65,441	51,499
		186,932	195,188
With State Bank of Pakistan in			
Local currency current account	(8.1)	1,825,413	960,209
Local currency capital deposit account	(8.2)	-	155,655
		1,825,413	1,115,864
Foreign currency cash reserve account - non-remunerative	(8.3)	114,700	158,366
Foreign currency capital deposit account	(8.2)	1,296,185	1,880,735
Foreign currency deposit account	(8.4)	8,743	5,516
		1,419,628	2,044,617
With National Bank of Pakistan in			
Local currency current account		48,905	-
		48,905	-
		<u>3,480,878</u>	<u>3,355,669</u>

8.1 This represents current account maintained with SBP under the requirements of section 22 of the Banking Companies Ordinance, 1962.

8.2 These represent deposit with the State Bank of Pakistan under section 13(3) of Banking Companies Ordinance, 1962.

8.3 This represents mandatory reserves maintained with the State Bank of Pakistan against FE-25 deposits as per the requirements of SBP's BSD circular No. 18 dated March 31, 2001.

8.4 The profit on this account ranges from 2% to 2.5% (2006: 2 % to 2.5 %) per annum.

9. BALANCES WITH OTHER BANKS

In Pakistan			
On current accounts		5,716	20,382
On deposit accounts	(9.1)	3,939,706	4,028,276
		3,945,422	4,048,658
Outside Pakistan			
On current accounts		26,444	9,716
On deposit accounts	(9.2)	159,486	201,052
		185,930	210,768
		<u>4,131,352</u>	<u>4,259,426</u>

9.1 This represents balances with local banks on profit and loss sharing basis. The expected profit on these accounts ranges from 1% to 9.90% (2006: 1% to 9.85%) per annum , while marutiry of these ranges from one day to less than one year.

9.2 This represents nostro accounts maintained with foreign banks outside Pakistan. Profit on these ranges from 2.90% to 5.11% (2006: 2.90% to 5.23%) per annum.

	Note	2007			2006		
		Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
-----Rupees in '000-----							
10. INVESTMENTS							
10.1 Investments by types :							
Held-for-trading securities							
Fully paid up ordinary shares - listed		91,788	-	91,788	119,276	-	119,276
Available-for-sale securities							
National Investment Trust (NIT) Units		60,000	-	60,000	40,000	-	40,000
United Composite Islamic Funds (UCIF) Units		-	-	-	25,000	-	25,000
Meezan Islamic Income Funds (MIIF) Units		10,000	-	10,000	10,000	-	10,000
Fully paid ordinary shares - unlisted		4,447	-	4,447	4,447	-	4,447
		74,447	-	74,447	79,447	-	79,447
Held-to-maturity securities							
Term deposit receipt		-	-	-	244,971	-	244,971
Sukuk bonds							
WAPDA First Sukuk Company Limited (10.1.1)		750,000	-	750,000	750,000	-	750,000
Sitara Chemical Industries Limited (10.1.2)		150,000	-	150,000	-	-	-
Karachi Shipyard and Engineering Works (10.1.3)		100,000	-	100,000	-	-	-
		1,000,000	-	1,000,000	994,971	-	994,971
Investment at cost		1,166,235	-	1,166,235	1,193,694	-	1,193,694
Less: Provision for diminution in value of investments (10.3)		4,447	-	4,447	4,447	-	4,447
Investments (net of provisions)		1,161,788	-	1,161,788	1,189,247	-	1,189,247
Deficit on revaluation of Held-for-trading securities (10.5)		(5,225)	-	(5,225)	(22,173)	-	(22,173)
Deficit on revaluation of Available for sale securities (19)		(2,738)	-	(2,738)	(204)	-	(204)
		(7,963)	-	(7,963)	(22,377)	-	(22,377)
Total investments at market value		1,153,825	-	1,153,825	1,166,870	-	1,166,870

10.1.1 150,000 certificates having face value Rs. 750 million carry profit at six months Kibor plus 35 basis points. These will mature in 2012 and are secured against unconditional and irrevocable first demand guarantee from Government of Pakistan. These certificates have been pledged with SBP during the year on account of capital in pursuance of its letter No. BSD/SU-16/607/3350/2006 dated July 06, 2006.

10.1.2 This certificate having face value Rs. 150 million carries profit at three months Kibor plus 100 basis points. This will mature in 2012 and is secured by specific and exclusive hypothecation charge in respect of musharaka assets in favour of the investors to the extent of their entire legal ownership rights of Sitara Chemical Industries Limited.

10.1.3 This certificate having face value Rs. 100 million carries profit at six months Kibor plus 40 basis points. This will mature in 2015 and is secured against unconditional and irrevocable sovereign guarantee from Government of Pakistan.

	Note	2007 Rupees in '000	2006 Rupees in '000
10.2 Investments by segments :			
Federal Government Securities:			
Sukuk bonds		850,000	750,000
		850,000	750,000
Fully paid up ordinary shares/units			
- Listed (10.2.1)		91,788	119,276
- Unlisted (10.2.2)		4,447	4,447
- Mutual Fund Units (10.2.3)		70,000	75,000
		166,235	198,723
Term deposit receipt		-	244,971
Sukuk -Sitara Chemical Industries Limited		150,000	-
		150,000	244,971
Total investment at cost		1,166,235	1,193,694
Less: Provision for diminution in value of investments (10.3)		4,447	4,447
Investments (Net of Provisions)		1,161,788	1,189,247
Deficit on revaluation of Held-for-trading securities (10.2.1)		(5,225)	(22,173)
Deficit on revaluation of Available-for-sale securities		(2,738)	(204)
		(7,963)	(22,377)
Total investments at market value		1,153,825	1,166,870

10.2.1 Details of investment in listed companies:

2007	2006		2007		2006	
Ordinary shares of			-----Rupees in '000-----			
<u>Rs. 10 each</u>	<u>Name of Company</u>		<u>Cost</u>	<u>Market value</u>	<u>Cost</u>	<u>Market value</u>
100,000	250,000	Pakistan Telecommunication Company Ltd	5,128	4,205	14,280	11,075
200,000	150,000	Fauji Cement Company Ltd	4,143	2,980	4,650	4,275
-	100,000	D G Khan Cement Company Ltd	-	-	7,565	6,296
-	200,000	Pakistan Cement Company Ltd.	-	-	3,700	2,120
-	350,000	Maple Leaf Cement Company Ltd	-	-	12,693	6,090
150,000	240,000	Sui Southern Gas Pipelines Ltd	5,427	3,922	8,478	5,640
-	300,000	Pakistan PTA Ltd	-	-	2,730	1,470
182,500	110,000	Pakistan Petroleum Ltd	45,764	44,722	26,671	25,520
80,000	-	Attock Refinery Ltd	20,603	20,104	-	-
-	100,000	Oil and Gas Development Company Ltd	-	-	13,158	11,470
40,000	50,000	Engro Chemical Pakistan Ltd	10,723	10,630	10,772	8,450
-	50,000	Pakistan State Oil Company Ltd	-	-	14,579	14,700
			<u>91,788</u>	<u>86,563</u>	<u>119,276</u>	<u>97,106</u>

10.2.2 Details of investment in unlisted companies:

	Note	No. of Shares	Cost as on Dec. 31, 07 Rs. in '000'
Shareholding less than 10% - unlisted:			
Crown Textile Limited		444,656	<u>4,447</u>

10.2.3 Details of investment in mutual funds:

	No. of Units	Cost as on Dec. 31, 07 Rs. in '000'	Name of Chief Executive
National Investment Trust Units	941,698	60,000	Mr. Tariq Iqbal Khan
Meezan Islamic Income Funds (MIF) Units	208,795	10,000	Mr. Mohammad Shoab
		<u>70,000</u>	

ALBARAKA ISLAMIC BANK B.S.C. (E.C.)

		2007	2006		
		Rupees in '000			
10.3	Particulars of provision				
	Opening balance	4,447		4,447	
	Charge for the year	-		-	
	Reversals	-		-	
	Closing balance	<u>4,447</u>		<u>4,447</u>	
10.3.1	Particulars of provision in respect of type and segment				
	Available-for-sale securities				
	Crown Textiles Limited (Textile)				
	444,656 (2006:444,656) ordinary shares of Rs.10 each	<u>4,447</u>		<u>4,447</u>	
		<u>4,447</u>		<u>4,447</u>	
10.4	Quality of available-for-sale securities	2007		2006	
		Amount	Rating	Amount	Rating
	National Investment Trust Units	56,361	4-Star	39,796	4-Star
	United Composite Islamic Fund (UCIF) Units	-	-	25,000	Unrated
	Meezan Islamic Income Fund (MIIF) Units	<u>10,901</u>	5- Star	<u>10,000</u>	Unrated
		<u>67,262</u>		<u>74,796</u>	
	Crown Textiles Limited	<u>4,447</u>	Unrated	<u>4,447</u>	Unrated
10.5	Unrealized loss on revaluation of investments classified as held for trading				
	Unrealized loss on revaluation of investments classified as held for trading is given in Note 10.2.				
11	FINANCINGS	2007		2006	
		Rupees in '000			
	In Pakistan				
	Murabaha financing	6,994,844		5,159,410	
	Export refinance (Islamic) - Murabaha financing	1,867,245		989,721	
	Export refinance (conventional)	-		1,259,463	
	Musharaka financing	941,812		568,695	
	Payment against guarantees	<u>5,674</u>		<u>15,624</u>	
		9,809,575		7,992,913	
	Net investment in ijarah financing - In Pakistan (11.2)	2,231,160		1,581,681	
	Bills discounted and purchased (excluding treasury bills)				
	Payable outside Pakistan	<u>742,596</u>		<u>301,445</u>	
	Financings - gross	<u>12,783,331</u>		<u>9,876,039</u>	
	Provision for non-performing Financing (11.4)	<u>188,173</u>		<u>177,647</u>	
	General provision against consumer financing (11.5)	<u>9,609</u>		<u>5,210</u>	
		<u>197,782</u>		<u>182,857</u>	
	Financings - net of provision	<u>12,585,549</u>		<u>9,693,182</u>	
11.1	Particulars of Financings (Gross)				
11.1.1	In local currency	11,362,349		9,344,599	
	In foreign currencies	<u>1,420,982</u>		<u>531,440</u>	
		<u>12,783,331</u>		<u>9,876,039</u>	
11.1.2	Short term (for up to one year)	11,204,289		8,749,152	
	Long term (for over one year)	<u>1,579,042</u>		<u>1,126,887</u>	
		<u>12,783,331</u>		<u>9,876,039</u>	

11.2 Net investment in

Ijarah financing

	2007				2006			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
	-----Rupees in '000-----							
Ijarah rentals receivable	832,614	1,525,175	72	2,357,861	545,457	1,156,531	32,917	1,734,905
Residual value	21,785	291,250	2,013	315,048	12,689	151,878	-	164,567
Minimum Ijarah payments	854,399	1,816,425	2,085	2,672,909	558,146	1,308,409	32,917	1,899,472
Profit for future periods	(205,140)	(236,608)	(1)	(441,749)	(144,880)	(171,450)	(1,461)	(317,791)
Present value of minimum Ijarah rentals receivables	649,259	1,579,817	2,084	2,231,160	413,266	1,136,959	31,456	1,581,681

11.3 Financings include Rs.231,669 thousands(2006:Rs. 246,826 thousands) which have been placed under non-performing status as detailed below:-

	2007								
	-----Rupees in '000-----								
	Classified Financings			Specific Provision Required			Specific Provision Held		
Category of Classification	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
Substandard	7,045	-	7,045	1,678	-	1,678	1,678	-	1,678
Doubtful	5,911	-	5,911	2,955	-	2,955	2,955	-	2,955
Loss	218,713	-	218,713	183,540	-	183,540	183,540	-	183,540
	231,669	-	231,669	188,173	-	188,173	188,173	-	188,173

	2006								
	-----Rupees in '000-----								
	Classified Financings			Provision Required			Provision Held		
Category of Classification	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
Substandard	17,227	-	17,227	1,889	-	1,889	1,889	-	1,889
Doubtful	4,650	-	4,650	2,325	-	2,325	2,325	-	2,325
Loss	224,949	-	224,949	173,433	-	173,433	173,433	-	173,433
	246,826	-	246,826	177,647	-	177,647	177,647	-	177,647

ALBARAKA ISLAMIC BANK B.S.C. (E.C.)

	Note	2007	2006
11.4 Particulars of provision against non-performing financings- specific		Rupees in '000	
Opening balance		177,647	189,124
Charge for the year		28,200	22,099
Reversals		(15,322)	(23,668)
Amounts written off	(11.6)	(2,352)	(9,908)
Closing balance		<u>188,173</u>	<u>177,647</u>
11.4.1 Particulars of provision against non-performing financings			
In local currency		188,173	177,647
In foreign currencies		-	-
		<u>188,173</u>	<u>177,647</u>
11.5 Particulars of general provisions against consumer financing			
Opening balance		5,210	2,761
Charge for the year		4,399	2,449
Amounts written off		-	-
Closing balance	(11.5.2)	<u>9,609</u>	<u>5,210</u>
11.5.1 Particulars of general provisions against consumer financing			
In local currency		9,609	5,210
In foreign currencies		-	-
		<u>9,609</u>	<u>5,210</u>
11.5.2	This represents general provision against consumer finance maintained at the amount of 1.5% against fully secured performing portfolio and 5% of unsecured performing portfolio as required by the Prudential Regulations issued by SBP.		
11.6 Particulars of write offs		2007	2006
		Rupees in '000	
11.6.1 Against provisions		2,352	9,908
Directly charged to profit and loss account		-	-
		<u>2,352</u>	<u>9,908</u>
11.6.2 Write offs of Rs. 500,000 and above	(11.7)	2,352	9,908
Write offs of below Rs. 500,000		-	-
		<u>2,352</u>	<u>9,908</u>
11.7 Details of loan write off of Rs. 500,000 and above			
In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962, the Statement in respect of written-off loans or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended 31st December 2007 is given at Annexure-1.			
11.8 Particulars of loans and Financings to directors, associated companies, etc.		2007	2006
		Rupees in '000	
Debts due by key management personnel, executives or officers of the bank or any of them either severally or jointly with any other persons			
Balance at beginning of year		51,607	37,391
Financing granted during the year		76,803	36,300
Repayments		(37,400)	(22,084)
Balance at end of year		<u>91,010</u>	<u>51,607</u>
12. OPERATING FIXED ASSETS			
Capital work-in-progress - advances to contractors		28,638	-
Property and equipment	(12.1)	70,484	65,914
Intangible assets	(12.2)	3,575	5,504
		<u>102,697</u>	<u>71,418</u>

12.1 Operating fixed assets

Particulars	COST			DEPRECIATION			Book value closing as at December 31, 2007	Rate %
	Opening Balance as at January 01, 2007	Additions/ (Deletions)/	Closing Balance as at December 31, 2007	Opening Balance as at January 01, 2007	For the Year	Closing Balance as at December 31, 2007		
	-----Rupees in '000-----							
Furniture and fixture	16,526	3,301 (426)	19,401	8,068	2,257 (349)	9,976	9,425	10
Computer and office equipments	63,707	8,439 (554)	71,592	43,264	8226 (554)	50,936	20,656	20
Vehicles	27,859	3,814 (4,011)	27,662	15,432	4,891 (3,711)	16,612	11,050	20
Leasehold improvements	43,168	9,107	52,275	18,582	4,340	22,922	29,353	10
2007	151,260	24,661 (4,991)	170,930	85,346	19,714 (4,614)	100,446	70,484	
Furniture and fixture	13,694	2,832	16,526	6,736	1,332	8,068	8,458	10
Computer and office equipments	56,303	7,404	63,707	34,557	8,707	43,264	20,443	20
Vehicles	28,484	8,146 (8,771)	27,859	19,536	4,296 (8,400)	15,432	12,427	20
Leasehold improvements	37,976	5,192	43,168	15,021	3,561	18,582	24,586	10
2006	136,457	23,574 (8,771)	151,260	75,850	17,896 (8,400)	85,346	65,914	

12.1.1 Included in property and equipment are fully depreciated items still in use having cost of Rs. 40,634 million (2006: Rs. 37.661 million).

12.1.2 Detail of disposals of operating fixed assets

Particulars of assets	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Profit	Mode of Disposal	Particular of buyers
	-----Rupees in '000-----						
Vehicle							
Cultus	598	299	299	440	141	Negotiation	Mr.Liaqat ali (Employee)
Toyato Corolla	809	809	-	202	202	Bank policy	Mr. Arif Chaudhry (Employee)
Honda Civic	1,165	1,165	-	284	284	Bank policy	Mr. Ahmad Shuja Kidwai (Employee)
Toyota Corolla	889	889	-	222	222	Bank policy	Mr.Ebad Ahmad Khan (Employee)
Suzuki Cultus	550	550	-	138	138	Bank policy	Mr. Syed Safdar Hassan (Employee)

12.2 Intangible assets

Particulars	COST			AMORTIZATION			Book value closing as at December 31, 2007	Rate %
	Opening Balance as at January 01, 2007	Additions	Closing Balance as at December 31, 2007	Opening Balance as at January 01, 2007	For the Year	Closing Balance as at December 31, 2007		
	-----Rupees in '000-----							
Computer software	10,076	-	10,076	4,572	1,929	6,501	3,575	20
2007	10,076	-	10,076	4,572	1,929	6,501	3,575	
Computer software	8,276	1,800	10,076	2,737	1,835	4,572	5,504	20
2006	8,276	1,800	10,076	2,737	1,835	4,572	5,504	

12.3 Residual value of items of operating fixed assets are considered to be insignificant.

	Note	2007	2006
		Rupees in '000	
13. OTHER ASSETS			
Profit / return on financings, investment and placement accrued in local currency	(13.1.1)	134,689	120,017
Profit / return on financings, investment and placement accrued in foreign currency		-	-
Advances, deposits, advance rent and other prepayments		117,750	90,648
Advance against murabaha		267,378	50,000
Advance taxation (payments less provisions)		86,709	53,695
Branch adjustment account		941	-
Unrealized gain on forward foreign exchange contracts		2,176	2,266
Stationery and stamps		1,524	1,028
Receivable from defined benefit plan	(33.2)	-	489
Others		16,619	8,415
		<u>627,786</u>	<u>326,558</u>
Less: Provision held against other assets	(13.2)	(4,974)	(4,861)
Other Assets (Net of Provision)		<u>622,812</u>	<u>321,697</u>

13.1.1 Profit / return accrued is net of profit / return suspended amounting to Rs.5.700 (2006: 6.849) million.

13.2 PROVISION AGAINST OTHER ASSETS

Opening balance	4,861	5,188
Charge for the year	163	252
Reversals	-	(541)
Amount written off	(50)	(38)
Closing balance	<u>4,974</u>	<u>4,861</u>

	Note	2007	2006
Rupees in '000			
14. BILLS PAYABLE			
In Pakistan		223,602	150,112
Outside Pakistan		7,860	5,568
		<u>231,462</u>	<u>155,680</u>
15. DUE TO FINANCIAL INSTITUTIONS			
In Pakistan		1,297,262	1,895,027
Outside Pakistan		12,149	-
		<u>1,309,411</u>	<u>1,895,027</u>
15.1 Particulars of due to financial institutions with respect to currencies			
In local currency		1,297,262	1,895,027
In foreign currencies		12,149	-
		<u>1,309,411</u>	<u>1,895,027</u>
15.2 Details of due to financial institutions			
<i>Secured:</i>			
Borrowings from State Bank of Pakistan			
Under export refinance scheme - conventional	(15.2.1)	-	1,163,868
Under Islamic export refinance scheme	(15.2.2)	1,297,262	731,159
<i>Unsecured:</i>			
Overdrawn nostro accounts		12,149	-
		<u>1,309,411</u>	<u>1,895,027</u>
15.2.1	This represents borrowing from SBP against export refinance scheme. The bank has discontinued conventional export refinance during the year.		
15.2.2	This represents musharaka contribution by State Bank of Pakistan against Islamic export refinance scheme. Expected profit rate is 6.5%(2006:6.5%) per annum.The maximum limit approved by SBP under Islamic Export Refinance is Rupees1.49 billion.		
16. DEPOSITS AND OTHER ACCOUNTS			
Customers			
Fixed deposits		5,339,582	4,601,519
Saving deposits		6,140,081	3,341,230
Current accounts - non-remunerative		1,669,701	1,209,114
Margin accounts		180,245	148,273
		13,329,609	9,300,136
Financial Institutions			
Remunerative deposits		3,634,340	4,520,565
Non-remunerative deposits		617	740
		<u>3,634,957</u>	<u>4,521,305</u>
		<u>16,964,566</u>	<u>13,821,441</u>

	Note	2007	2006
		Rupees in '000	
16.1 Particulars of deposits			
In local currency		16,058,519	12,751,343
In foreign currencies		906,047	1,070,098
		<u>16,964,566</u>	<u>13,821,441</u>
17. DEFERRED TAX LIABILITIES			
Deferred credits arising due to			
Net investment in ijarah financing		148,027	99,951
Deferred debits arising in respect of			
Accelerated depreciation of operating fixed assets		(1,601)	(779)
Unrealised loss on revaluation of held-for-trading investments		(1,442)	-
Unrealised loss on revaluation of available for sale securities		(958)	-
Unused tax losses		-	(20,312)
		<u>144,026</u>	<u>78,860</u>
18. OTHER LIABILITIES			
Return on deposits and other dues payable in local currency		307,614	254,427
Return on deposits and other dues payable in foreign currency		5,066	7,869
Unearned commission		27,778	22,651
Accrued expenses		11,230	10,679
Advance payments from customers		5,629	4,818
Inter branch adjustment		-	407
Unremitted head office expenses		6,538	6,538
Payable to defined benefit plan	(33.2)	7,298	-
Security deposits against ijarah financing		318,598	178,534
Accounts payable		14,571	22,345
Excise duty/ income tax withheld		7,030	6,653
Deferred income on murabaha	(18.1)	229,131	192,992
Charity Fund payable	(18.2)	22,792	12,636
Unrealized loss on forward foreign exchange contracts		9,602	1,436
Other payables		10,018	4,263
		<u>982,895</u>	<u>726,248</u>
18.1 Deferred income on murabaha			
Opening balance		192,992	150,837
Income during the year		800,418	501,167
Recognized during the year		<u>(764,279)</u>	<u>(459,012)</u>
Closing balance		<u>229,131</u>	<u>192,992</u>
18.2 Charity Fund payable			
Opening Balance		12,636	-
Additions during the year		10,156	12,636
Payments during the year		-	-
Closing Balance		<u>22,792</u>	<u>12,636</u>

This represents net overdue income on murabaha financing. Such income is to be remitted to Head Office where the fund account is maintained, as permitted by State Bank of Pakistan vide its letter No. IBD-Sd/25/22/2007 dated January 18, 2007.

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19. HEAD OFFICE CAPITAL ACCOUNT	Note	2007	2006
Rupees in '000			
Capital held as:			
1. Interest free deposit in cash in Pak Rupees	(8.2)	-	155,655
2. Interest free deposit in approved foreign exchange :			
i) Revalued remittance from head office - opening balance	(19.1)	1,286,390	1,847,154
ii) Revaluation surplus allowed by the State Bank		9,795	33,581
		1,296,185	1,880,735
3. Deposit of unencumbered approved securities	(9.1.2)	750,000	-
	(19.2)	<u>2,046,185</u>	<u>2,036,390</u>

19.1 This represents an amount of US dollar 21.108(2006: US dollar 30.893) million deposited with the State Bank of Pakistan in compliance with sub section (3) of section 13 of the Banking Companies Ordinance, 1962.

19.2 In accordance with the requirements of BSD Circular no. 6 dated Oct 28, 2005, the Bank was required to increase Head Office capital to Rs. 3 billion by December 31, 2006. However, the Bank had been granted specific exemption in this regard till September 30, 2007 from State Bank of Pakistan (SBP) vide its letter no. BSD/SU-1/608/219 dated January 26, 2007. However, later during the year, the Bank has been granted exemption from increasing the capital based on the fact that the capital of Bank's Head Office in Bahrain has increased to US \$ 100 million.

19.3 The Bank maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Bank's capital is monitored using, among other measures, the Prudential Regulations issued by the SBP.

19.4 The primary objectives of the Bank's capital management are to ensure the Bank complies with externally imposed capital requirements and that the Bank maintains strong credit ratings and healthy capital ratios in order to support its business.

19.5 The Bank manages its capital structure and make adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Bank may adjust the amount of remittance of profit. No changes were made in the objectives, policies and processes from previous years.

20. (DEFICIT)/SURPLUS ON REVALUATION OF ASSETS

(Deficit)/surplus on revaluation of available-for-sale securities

National Investment Trust Units	(3,639)	(204)
Meezan Islamic Income Fund	901	-
	<u>(2,738)</u>	<u>(204)</u>
Less : related deferred tax	958	-
Net Deficit	<u>(1,780)</u>	<u>(204)</u>

21. CONTINGENCIES AND COMMITMENTS

21.1 Direct credit substitutes - Guarantees of indebtedness

i) Government	1,645,733	874,967
ii) Financial institutions	43	13,266
iii) Others	296,346	656,002
	<u>1,942,122</u>	<u>1,544,235</u>

21.2 Transaction-related contingent liabilities

i) Letters of credit	1,904,325	1,285,093
ii) Others - Shipping Guarantees	39,455	34,306
	<u>1,943,780</u>	<u>1,319,399</u>

21.3 Trade-related contingent liabilities

Acceptances	<u>1,601,956</u>	<u>1,324,529</u>
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21.4 Other contingencies

This represents additional income tax liability amounting to Rs. 111.558 (2006: Rs. 7.698) million which has not been acknowledged by the Bank. The Bank has filed appeals before CIT (Appeals) against tax orders in respect of tax years 2003 and 2006. Moreover, the Income Tax Department has also filed appeals before Income Tax Tribunal against the orders in respect of assessment years 2001-2002 and 2002-2003 issued by CIT (Appeals). Appeals filed by the Bank and the Income Tax Department are pending for decision. Management of the Bank has evaluated, after consulting their income tax advisor, that appeals are likely to be decided in favor of the Bank and, hence, no provision has been made for the same in these financial statements.

21.5 Commitments in respect of forward exchange contracts

Purchase	<u>160,384</u>	<u>559,546</u>
Sale	<u>866,072</u>	<u>603,726</u>

The bank utilizes foreign exchange instruments to meet the needs of its customers and generates trading revenues as part of its asset and liability management to hedge its own exposure to currency risk. At the year end, all foreign exchange contracts have a remaining maturity of less than one year.

21.6 Other Commitments

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

Commitment against capital expenditure amounts to Rs.18.911 million (2006:Nil).

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	Note	2007	2006
		Rupees in '000	
22. PROFIT/RETURN ON FINANCINGS, INVESTMENTS AND PLACEMENTS EARNED			
a) On loans and Financings (other than murabaha) to:			
i) Customers		328,198	292,758
ii) Financial institutions		-	348
		328,198	293,106
b) On murabaha to:			
i) Customers		741,158	430,503
ii) Financial institutions		23,121	28,510
	(22.1)	764,279	459,013
c) On investments in:			
Held to maturity securities		82,952	73,587
d) On deposits with financial institutions		317,606	286,005
		<u>1,493,035</u>	<u>1,111,711</u>
22.1 Murabaha sale price		20,125,980	17,790,486
Less: Purchase price		<u>19,325,562</u>	<u>17,289,318</u>
		800,418	501,168
Add: Deferred murabaha income as on January 01		192,992	150,837
Less: Deferred murabaha income as on December 31		<u>(229,131)</u>	<u>(192,992)</u>
		<u>764,279</u>	<u>459,013</u>
23. RETURN ON DEPOSITS AND OTHER DUES EXPENSED			
Deposits		993,064	728,201
Other short term borrowings:			
on conventional export refinance	(15.2.1)	18,435	81,017
on Islamic export refinance		78,414	14,906
		<u>96,849</u>	<u>95,923</u>
		<u>1,089,913</u>	<u>824,124</u>
24. PROVISION AGAINST NON-PERFORMING FINANCINGS			
Provision / (Reversal of provision) against non performing financings	(24.1)	12,878	(1,569)
Provision against consumer financing		4,399	2,449
		<u>17,277</u>	<u>880</u>
24.1	It includes the effect of withdrawal of benefit of Forced Sale Value as mentioned in Note 6.7.		
25. NET GAIN ON SALE OF INVESTMENTS			
Ordinary shares of listed companies		30,590	1,775
Mutual Fund		8,913	-
National investment trust units		11,331	-
		<u>50,834</u>	<u>1,775</u>
26. OTHER INCOME			
This represents profit on disposal of operating fixed assets.			

27. ADMINISTRATIVE EXPENSES		2007	2006
		Rupees in '000	
Salaries, allowances, etc.	(27.1)	138,560	106,304
Staff medical		6,308	4,429
Charge for defined benefit plan	(33.6)	15,061	8,606
Charge for defined contribution plan	(34)	6,388	5,012
Rent, taxes, insurance, electricity, etc.		59,652	43,512
Legal and professional charges		3,311	2,432
Fee and subscription		3,492	2,988
Communications		17,086	15,232
Repairs and maintenance		9,134	8,710
Stationery and printing		8,170	7,568
Advertisement and publicity		4,530	1,762
Auditors' remuneration	(27.2)	964	951
Depreciation	(12.1)	19,714	17,896
Amortization	(12.2)	1,929	1,835
Bank charges		4,358	3,968
Travelling and conveyance		22,100	18,437
Entertainment		3,911	3,671
Security services		5,340	3,898
Brokerage commission		1,024	492
Others		3,978	3,364
		<u>335,010</u>	<u>261,067</u>

27.1 This includes remuneration of sharia advisor desk amounting to Rs. 1.660 million (2006: Rs.1.702 million).

27.2 AUDITORS' REMUNERATION		2007	2006
		Rupees in '000	
Audit fee		550	550
Special certifications and sundry advisory services		300	300
Out of pocket expenses		114	101
		<u>964</u>	<u>951</u>

28. OTHER CHARGES

This represents penalties imposed by State Bank of Pakistan.

29. TAXATION

For the year - current		2,889	777
Deferred tax		66,125	25,707
		<u>69,014</u>	<u>26,484</u>

29.1 Relationship between tax expense and accounting profit

Accounting profit before taxation		<u>314,542</u>	<u>170,423</u>
Tax at applicable tax rate of 35% (2006: 35%)		110,090	59,648
Tax effect of permanent differences		<u>(41,076)</u>	<u>(33,164)</u>
Tax charge for the year		<u>69,014</u>	<u>26,484</u>

30. BASIC EARNINGS PER SHARE

Albaraka Islamic Bank B.S.C (E.C.)- Pakistan branches, being branches of a foreign entity do not have share capital. Therefore, no figures of basic and diluted earning per share have been reported in these financial statements.

31. CASH AND CASH EQUIVALENTS	Note	2007	2006
		'Rupees in '000	
Cash and balance with treasury banks	(8)	3,480,878	3,355,669
Balance with other banks	(9)	4,131,352	4,259,426
Overdrawn nostro accounts	(15.2)	(12,149)	-
		<u>7,600,081</u>	<u>7,615,095</u>

32. STAFF STRENGTH	2007	2006
	Number	
Permanent	276	238
Temporary/on contractual basis	88	68
Daily wagers	-	-
Bank's own staff strength at the end of the year	<u>364</u>	<u>306</u>
Outsourced	-	-
Total staff strength	<u>364</u>	<u>306</u>

33. DEFINED BENEFIT PLAN

33.1 Principal actuarial assumptions

The latest actuarial valuation had been carried out as at December 31, 2007 by using projected unit credit actuarial cost method. The significant assumptions used for actuarial valuation are as follows:

	2007	2006
Discount rate	10.0% p.a	10.0% p.a
Expected rate of salary increase	10.0% p.a	10.0% p.a
Expected return on plan assets	10.0% p.a	10.0% p.a

33.2 Reconciliation of (receivable from)/payable to defined benefit plan

		2007	2006
		Rupees in '000	
Present value of defined benefit obligations	(33.2.1)	50,618	35,966
Fair value of plan assets	(33.2.2)	(30,039)	(24,186)
Net actuarial (losses) not recognized		(13,281)	(12,269)
	(18 & 13)	<u>7,298</u>	<u>(489)</u>

33.2.1 Present value of defined benefit obligations

As at January 1	35,966	31,563
Current service cost	8,050	5,546
Interest cost	3,597	3,156
Benefits paid	(1,584)	(5,363)
Past service cost-Vested	3,715	-
Actuarial loss	874	1,064
As at December 31	<u>50,618</u>	<u>35,966</u>

	Note	2007	2006			
Rupees in '000						
33.2.2 Fair value of plan assets						
As at January 1		24,186	3,295			
Expected return on plan assets		967	213			
Contributions		7,274	26,223			
Benefits paid		(1,584)	(5,363)			
Actuarial (loss)/ gain		(804)	(182)			
As at December 31		<u>30,039</u>	<u>24,186</u>			
33.3 Movement in payable to defined benefit plan						
Opening balance		(489)	16,640			
Charge for the year		15,061	9,094			
Contribution to fund made during the year		(7,274)	(26,223)			
Closing balance		<u>7,298</u>	<u>(489)</u>			
33.4 Composition of plan assets		2007		2006		
		Rs. in '000	%	Rs. in '000	%	
Term finance certificate		-	-	1,335	6%	
Bank deposit account	(33.4.1)	30,039	100%	22,851	94%	
		<u>30,039</u>	<u>100%</u>	<u>24,186</u>	<u>100%</u>	
33.4.1	It consists of Khazana Account maintained with the Bank.					
33.5 Experience adjustments on obligations and plan assets						
		2007	2006	2005	2004	2003
Present value of defined benefit obligations		50,618	35,966	31,563	20,876	18,478
Fair value of plan assets		(30,039)	(24,186)	(3,295)	(4,401)	(6,171)
(Surplus) / Deficit		<u>20,579</u>	<u>11,780</u>	<u>28,268</u>	<u>16,475</u>	<u>12,307</u>
Actuarial (loss)/gain on Obligation		(874)	(1,064)	(7,218)	-	(925)
Actuarial (loss)/gain on Assets		(804)	(182)	(410)	-	(260)
33.6 Charge for defined benefit plan						
Current service cost					8,050	5,546
Interest cost					3,597	3,156
Expected return on plan assets					(967)	(213)
Actuarial gains and losses - recognized					666	605
Past Service Cost-Vested					3,715	-
					<u>15,061</u>	<u>9,094</u>
33.7 Actual return on plan assets					<u>163</u>	<u>254</u>
34. DEFINED CONTRIBUTION PLAN						

The Bank operates an approved provident fund scheme for all its permanent employees, which are administered by a board of trustees. Equal monthly contributions are made by the Bank and employees to the fund at the rate of 10 percent (2006: 10 percent) of basic salaries of employees. The contribution made by the bank during the year is Rs. 6,388 (2006: 5,012) thousands.

35. COMPENSATION OF COUNTRY HEAD AND EXECUTIVES	Country Head		Executives	
	2007	2006	2007	2006
	-----Rupees in '000-----			
Managerial remuneration	4,416	3,840	28,620	18,756
Charge for defined benefit plan	505	439	2,954	2,088
Contribution to defined contribution plan	391	340	2,425	1,505
Rent and house maintenance	1,760	1,530	11,477	7,135
Utilities	536	513	3,060	1,957
Medical	55	45	943	555
Others	62	45	538	420
	<u>7,725</u>	<u>6,752</u>	<u>50,017</u>	<u>32,416</u>
Number of persons	<u>1</u>	<u>1</u>	<u>31</u>	<u>19</u>

The Country Head and some of the executives have been provided with free use of bank maintained cars.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

	2007		2006	
	Book value	Fair value	Book value	Fair value
	-----Rupees in '000-----			
Assets				
Cash balances with treasury banks	3,480,878	3,480,878	3,355,669	3,355,669
Balances with other banks	4,131,352	4,131,352	4,259,426	4,259,426
Investments	1,153,825	1,189,450	1,166,870	1,203,123
Financings	12,585,549	12,814,680	9,693,182	9,500,190
Other assets	404,243	404,243	172,283	172,283
	<u>21,755,847</u>	<u>22,020,603</u>	<u>18,647,430</u>	<u>18,490,691</u>
Liabilities				
Bills payable	231,462	231,462	155,680	155,680
Due to financial institutions	1,309,411	1,309,411	1,895,027	1,895,027
Deposits and other accounts	16,964,566	16,964,566	13,821,441	13,821,441
Other liabilities	627,784	627,784	525,035	525,035
	<u>19,133,223</u>	<u>19,133,223</u>	<u>16,397,183</u>	<u>16,397,183</u>
Off-balance sheet financial instruments				
Forward purchase of foreign exchange	160,384	160,384	559,546	559,546
Forward sale of foreign exchange	<u>866,072</u>	<u>866,072</u>	<u>603,726</u>	<u>603,726</u>

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable willing parties in an arms's length transaction.

37. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement
	-----Rupees in '000-----				
2007					
Total income	82,952	126,488	116,595	1,432,942	3,436
Total expenses	<u>70,724</u>	<u>68,409</u>	<u>109,411</u>	<u>1,198,670</u>	<u>657</u>
Net income	12,228	58,079	7,184	234,272	2,779
Segment assets (gross)	1,016,802	412,996	1,298,994	19,546,103	-
Segment non-performing loans	-	-	18,176	223,102	-
Segment provision required	-	-	12,389	185,393	-
Segment liabilities	-	-	17,086,184	2,393,078	153,098
Segment return on net assets (ROA) (%)	10.83%	20.48%	13.09%	10.35%	-
Segment cost of funds (%)	7.16%	7.16%	7.16%	4.80%	-
2006					
Total income	73,587	350,374	92,804	753,007	9,249
Total expenses	<u>49,901</u>	<u>266,567</u>	<u>56,252</u>	<u>730,074</u>	<u>1,892</u>
Net income	23,686	83,807	36,552	22,933	7,357
Segment assets (gross)	765,867	4,769,188	917,059	12,593,795	-
Segment non-performing loans	-	-	98,865	147,961	-
Segment provision required	-	-	64,410	113,237	-
Segment liabilities	-	-	13,914,446	2,609,712	153,098
Segment return on net assets (ROA) (%)	10.19%	9.86%	11.11%	10.98%	-
Segment cost of funds (%)	6.72%	6.72%	6.72%	5.65%	-

38. RELATED PARTY TRANSACTIONS

Related parties comprise major shareholder, directors of the Bank, close members of their families, entities owned or controlled by them and companies affiliated by virtue of shareholding in common with that of the Bank. Related parties also comprise of branches of the bank out side Pakistan, key management personnel and employee funds. The significant balances with related parties at 31 December were as follows:

	2007		2006	
	Country Head & Executives	Other related parties	Country Head & Executives	Other related parties
-----Rupees in '000-----				
Assets				
Investments	-	-	-	244,971
Balance with banks	-	-	-	-
Income/ Mark-up accrued in local currency	-	-	-	-
Liabilities				
Deposits	63,604	159,770	53,494	44,021
Mark-up/ Return payable	1,011	1,075	1,412	612
Other significant transactions with related parties during the year were as follows:			2007	2006
			Rupees in '000	
Funds placed during the year			-	-
Fund withdrawn during the year			244,500	52,450
Deposits received during the year			488,607	278,940
Deposits withdrawn during the year			365,092	326,557
Profit remitted during the year			-	338,854
Mark-up/return expensed			9,910	4,574
Mark-up/return earned			13,956	15,823

Transactions entered into with key management personnel as per their terms of employment are excluded from related party transactions.

39. CAPITAL ADEQUACY

The risk weighted assets to capital ratio, calculated in accordance with the State Bank's guidelines on capital adequacy was as follows:

		2007	Rupees in '000		2006
Regulatory Capital Base					
Tier I Capital					
Shareholders capital/assigned capital		2,046,185			2,036,390
Reserves		(2,365)			(204)
Unappropriated / Unremitted profits (net of losses)		400,348			154,820
Less: Adjustments		-			-
Total Tier I Capital		<u>2,444,168</u>			<u>2,191,006</u>
Tier II Capital					
Subordinated debt (up to 50% of total Tier I Capital)		293			-
General provisions subject to 1.25% of Total Risk Weighted Assets		9,609			5,210
Revaluation reserve		-			-
Total Tier II Capital		<u>9,902</u>			<u>5,210</u>
Eligible Tier III Capital		-			-
Total Regulatory Capital	(a)	(19.2)	<u>2,454,070</u>		<u>2,196,216</u>
Risk weighted exposures					
-----Rupees in '000-----					
		2007			2006
		Book Value	Risk Adjusted Value	Book Value	Risk Adjusted Value
Credit risk					
Balance sheet items:					
Cash and other liquid assets		7,612,230	836,051	7,860,066	900,879
Money at call		-	-	-	-
Investments		1,067,262	189,082	824,796	54,898
Financings		12,585,549	11,219,781	9,693,182	8,851,237
Fixed assets		102,697	102,697	71,418	71,418
Other assets		622,812	519,345	321,697	252,135
		<u>21,990,550</u>	<u>12,866,956</u>	<u>18,771,159</u>	<u>10,130,567</u>
Off balance sheet items					
Loan repayment guarantees and acceptances		1,601,956	1,585,763	1,324,529	1,324,529
Purchase and resale agreements		-	-	-	-
Performance bonds etc		1,942,122	899,115	1,578,541	739,483
Revolving underwriting commitments		-	-	-	-
Stand by letters of credit		1,943,780	924,684	1,285,093	630,515
Outstanding foreign exchange contracts :					
-Purchase		160,384	642	559,546	2,238
-Sale		866,072	3,464	603,726	2,415
		<u>6,514,314</u>	<u>3,413,668</u>	<u>5,351,435</u>	<u>2,699,180</u>
Credit risk-weighted exposures			<u>16,280,624</u>		<u>12,829,747</u>
Market risk					
General market risk			324,987		179,413
Specific market risk			86,563		97,106
Market risk-weighted exposures			<u>411,550</u>		<u>276,519</u>
Total risk weighted exposures	(b)		<u>16,692,174</u>		<u>13,106,266</u>
Capital adequacy ratio [(a) / (b) x 100]			<u>14.70%</u>		<u>16.76%</u>

40. RISK MANAGEMENT

The due identification, measurement and mitigation of all risks inherent in the Bank's business processes is essential for the continuity and profitability of its operations. Cognizant of this fact, the management has taken comprehensive measures to establish a well-structured and meaningful risk management process within the organization. In compliance with State Bank of Pakistan guidelines, a comprehensive Risk Management Policy is in place duly approved by the Head Office. This document covers all facets of risks including credit, market, liquidity, operational and country risks, and outlines policies for their prudent management and mitigation.

In addition, a dedicated Risk Management Department is in place, independent of the business units, to perform all tasks necessary to identify, monitor and mitigate the risks arising from various activities, in line with the approved Policy. Periodic risk reviews are prepared to monitor portfolio concentrations, compliance with risk limits, and identification of any risk related issues which are subsequently discussed and resolved by the Risk Management Committee. Furthermore, quarterly stress tests are also conducted to assess the resilience of the portfolios under extreme market conditions.

40.1 Credit Risk

Credit risk is the potential that a borrower or counterparty will fail to meet its obligations in accordance with agreed terms and conditions. The credit risk management process in the Bank encompasses the assessment of risk both at the portfolio as well as at the transaction level. Limits have been set relating to group and industry to monitor portfolio concentrations and to encourage diversification. New approvals and/or renewals are monitored on a transaction level to ensure compliance with risk management policies and procedures.

A well-defined Credit Manual, duly approved by the Head Office, explicitly spells out various components of the credit granting process, including appraisal, sanctioning and review procedures, in order to instill prudence in all financing activities. Past due accounts are treated in line with the State Bank of Pakistan rules and regulations. However, periodic Watch Lists are prepared by the Credit Administration Department to proactively monitor accounts with early warning indicators.

A key tool being used by the bank in its credit risk management process is the internal risk rating of all its exposures. The newly refurbished rating framework has been designed to conform to the requirements of advanced measurement approaches under the Basel II Capital Accord, and is being further streamlined in light of the State Bank of Pakistan's guidelines on internal rating systems. The framework has been bifurcated into Customer Rating and Facility Rating to separately capture the risks pertaining to borrowing entities and specific transactions. The internal rating exercise provides invaluable assistance in the decision-making process by evaluating the risk profile of exposures before approval. In addition, it also helps in gauging the overall risk profile of the entire portfolio.

In order to monitor the credit exposure taken by the Bank in various economic segments, sectoral limits are set and approved by the Head Office in accordance with the nature and performance of each sector and Bank's own risk appetite. Adherence to these limits is assessed on a regular basis to ensure that the credit portfolio remains well diversified. Further diversification is achieved with the initiation of Consumer Finance, which serves to spread the risks over a large number of customers.

Various credit mitigants are used to protect against potential credit losses. Great care is taken to ensure that all legal and operational requirements are in place to allow smooth liquidation/processing in case of a default. The impact of these collaterals is a substantial reduction in the overall credit risk exposure of the Bank.

	2007	2006
	Rupees in '000	
Maximum amount under credit risk exposure -without taking into account collaterals	<u>18,493,538</u>	<u>15,441,175</u>
Maximum amount under credit risk exposure - taking into account collaterals	<u>5,907,989</u>	<u>5,747,993</u>

40.1.1 SEGMENTAL INFORMATION

Segmental Information is presented in respect of the class of business and geographical distribution of Advances, Deposits, Contingencies and Commitments.

2007						
40.1.1.1 Segments by class of business	Financings (Gross)		Deposits		Contingencies and Commitments	
	Rupees	Percent	Rupees	Percent	Rupees	Percent
	in '000		in '000		in '000	
Agriculture, forestry, hunting and fishing	1,172	0.01%	18,217	0.11%	14,992	0.27%
Mining and quarrying	4,803	0.04%	5,508	0.03%	3,293	0.06%
Textile	5,077,185	39.72%	301,043	1.77%	1,285,057	23.42%
Chemical and pharmaceuticals	453,805	3.55%	725,245	4.28%	552,855	10.07%
Cement	10,003	0.08%	21,880	0.13%	97,618	1.78%
Sugar	243,448	1.90%	62,911	0.37%	12,487	0.23%
Footwear and leather garments	512,732	4.01%	45,478	0.27%	199,368	3.63%
Automobile and transportation equipment	508,178	3.98%	141,149	0.83%	167,205	3.05%
Electronics and electrical appliances	137,329	1.07%	26,607	0.16%	71,501	1.30%
Construction	458,560	3.59%	135,989	0.80%	267,968	4.88%
Power (electricity), gas, water, sanitary	493	0.00%	88,732	0.52%	63,549	1.16%
Wholesale and retail trade	137,380	1.07%	58,159	0.34%	33,960	0.62%
Exports/imports	158,112	1.24%	181,128	1.07%	548,787	10.00%
Transport, storage and communication	222,232	1.74%	151,399	0.89%	69,715	1.27%
Financial	82,136	0.64%	3,635,723	21.43%	58,105	1.06%
Insurance	4,527	0.04%	444,081	2.62%	-	0.00%
Services	300,700	2.35%	293,755	1.73%	121,389	2.21%
Individuals	540,296	4.23%	4,894,500	28.85%	18,666	0.34%
Others	3,930,240	30.75%	5,733,062	33.79%	1,901,343	34.65%
	<u>12,783,331</u>	<u>100.00%</u>	<u>16,964,566</u>	<u>100.00%</u>	<u>5,487,858</u>	<u>100.00%</u>
2006						
Segments by class of business	Financings (Gross)		Deposits		Contingencies and Commitments	
	Rupees	Percent	Rupees	Percent	Rupees	Percent
	in '000		in '000		in '000	
Agriculture, forestry, hunting and fishing	10,765	0.11%	6,461	0.05%	-	0.00%
Mining and quarrying	1,435	0.01%	358,807	2.60%	-	0.00%
Textile	4,448,526	45.04%	409,441	2.96%	1,084,915	25.90%
Chemical and pharmaceuticals	326,914	3.31%	885,295	6.41%	503,471	12.02%
Cement	767	0.01%	9,712	0.07%	103,367	2.47%
Sugar	170,886	1.73%	7,000	0.05%	4,642	0.11%
Footwear and leather garments	583,946	5.91%	39,262	0.28%	130,552	3.12%
Automobile and transportation equipment	261,490	2.65%	35,597	0.26%	295,675	7.06%
Electronics and electrical appliances	33,564	0.34%	13,834	0.10%	12,178	0.29%
Construction	213,081	2.16%	96,270	0.70%	327,695	7.82%
Power (electricity), gas, water, sanitary	673	0.01%	58,657	0.42%	46,040	1.10%
Wholesale and retail trade	115,937	1.17%	36,247	0.26%	14,158	0.34%
Exports/imports	101,606	1.03%	62,538	0.45%	54,668	1.31%
Transport, storage and communication	280,156	2.84%	143,801	1.04%	61,511	1.47%
Financial	90,837	0.92%	4,521,305	32.71%	56,587	1.35%
Insurance	-	0.00%	8,681	0.06%	-	0.00%
Services	137,680	1.39%	548,396	3.97%	52,216	1.25%
Individuals	374,896	3.80%	3,896,519	28.19%	5,091	0.12%
Others	2,722,880	27.57%	2,683,618	19.42%	1,435,397	34.27%
	<u>9,876,039</u>	<u>100.00%</u>	<u>13,821,441</u>	<u>100.00%</u>	<u>4,188,163</u>	<u>100.00%</u>

		2007					
		Financings (Gross)		Deposits		Contingencies and Commitments	
40.1.1.2	Segment by sector	Rupees in '000	Percent	Rupees in '000	Percent	Rupees in '000	Percent
	Public/ Government	-	-	2,245,161	13%	-	-
	Private	12,783,331	100%	14,719,405	87%	5,487,858	100%
		<u>12,783,331</u>	<u>100%</u>	<u>16,964,566</u>	<u>100%</u>	<u>5,487,858</u>	<u>100%</u>
		2006					
		Financings (Gross)		Deposits		Contingencies and Commitments	
	Segment by sector	Rupees in '000	Percent	Rupees in '000	Percent	Rupees in '000	Percent
	Public/ Government	-	-	1,181,437	9%	-	-
	Private	9,876,039	100%	12,640,004	91%	4,188,163	100%
		<u>9,876,039</u>	<u>100%</u>	<u>13,821,441</u>	<u>100%</u>	<u>4,188,163</u>	<u>100%</u>
		2007				2006	
		Rupees in '000					
40.1.1.3	Details of non-performing Financings and specific provisions by class of business segment	Classified Financings	Specific provisions held	Classified Financings	Specific provisions held		
	Agriculture, forestry, hunting and fishing	-	-	3,565	3,565		
	Textile	103,049	66,142	111,943	72,621		
	Chemical and pharmaceuticals	29,906	29,906	31,818	29,367		
	Power (electricity), gas, water, sanitary	1,763	1,763	425	425		
	Others	96,951	90,362	99,075	71,669		
		<u>231,669</u>	<u>188,173</u>	<u>246,826</u>	<u>177,647</u>		
40.1.1.4	Details of non-performing Financings and specific provisions by sector						
	Public/ Government	-	-	-	-		
	Private	231,669	188,173	246,826	177,647		
		<u>231,669</u>	<u>188,173</u>	<u>246,826</u>	<u>177,647</u>		

40.1.1.5 GEOGRAPHICAL SEGMENT ANALYSIS	2007	2006
	Rupees in '000	
	Pakistan	
Profit before taxation	314,542	170,423
Total assets employed	22,077,113	18,868,262
Net asset employed	2,444,753	2,191,006
Contingencies and commitments	5,487,858	4,188,163

Total assets employed include intra group items of Rs. Nil (2006:Rs.244.971) million.

40.2 Market risk

Market risk is the risk of losses in on- and off-balance sheet positions of the Bank due to movement in market prices, such as profit rates, equity prices and exchange rates.

The basic objective of effective market risk management is to minimize the risk of losses resulting from adverse movements in these prices. This is achieved by setting instrument-specific exposure limits, counterparty limits and stop loss limits etc. Furthermore, policies are in place to monitor transactions that result in excess over limits. All these activities are performed in line with the Risk Management Policies and Procedures Manual. The quarterly market risk review assesses the position of Bank portfolios with regard to various market risks, and identifies key risk areas and remedial measures.

40.2.1 Foreign exchange risk

Foreign exchange transactions carried out by the Bank as part of its overall banking activity exposes it to foreign exchange risk due to movement in exchange rates.

As a policy stance, all foreign currency exposures of the Bank are taken to execute customers' requirements and/or to square Bank's own position. No exposures are allowed purely for trading purposes. The policy also specifies permitted currencies in which the Bank can take exposure as well as the maximum tenure for foreign currency transactions. Limits have been set with regard to net open position, currency-wise holdings, transaction amounts and stop loss positions, to safeguard against adverse movements in exchange rates.

Foreign exchange risk	Assets	Liabilities*	Off-balance	Net foreign
			sheet items	currency exposure
-----Rupees in '000-----				
United States dollar	3,013,452	2,097,980	(743,077)	172,395
Great Britain pound	69,120	89,499	37,333	16,954
Euro	13,746	-	-	13,746
Japanese yen	7,016	-	-	7,016
Deutsche mark	56,164	32,223	(3,239)	20,702
ACU Dollar	-	824	2,753	1,929
Swiss Frank	5,683	-	-	5,683
Foreign Currency	3,165,181	2,220,526	(706,230)	238,425
Pakistan Rupees	18,911,932	19,856,587	706,230	(238,425)
	<u>22,077,113</u>	<u>22,077,113</u>	<u>-</u>	<u>-</u>

	Assets	Liabilities*	Off-balance	Net foreign
			sheet items	currency exposure
-----Rupees in '000-----				
United States dollar	2,972,997	2,878,008	(48,965)	46,024
Great Britain pound	52,350	55,369	12,005	8,986
Euro	46,947	24,007	(6,127)	16,813
Japanese yen	6,307	-	-	6,307
Deutsche mark	-	-	-	-
ACU Dollar	3,408	19	-	3,389
Swiss Frank	791	-	-	791
Foreign Currency	3,082,800	2,957,403	(43,087)	82,310
Pakistan Rupees	15,785,462	15,910,859	43,087	(82,310)
	<u>18,868,262</u>	<u>18,868,262</u>	<u>-</u>	<u>-</u>

Currency risk is the risk that the value of the financial instrument will fluctuate due to changes in foreign exchange rates. Hedging transactions are used to manage risk in other currencies

Liabilities include head office capital account, unremitted profit and surplus/(deficit) on revaluation of assets amounting to Rs 2,441,192 thousands (2006:Rs. 2,191,006 thousands).

40.2.2 Equity position risk

The Bank has exposure in stock market equities in its trading book, which gives rise to this risk due to movement in share prices.

The equity position risk of the Bank in the trading book revolves around the investment in listed shares/securities, duly approved by the Shari'ah Advisor. Limit for the maximum stock market exposure has been set by the Head Office, in order to monitor and manage the size of the risk taken by the Bank. Even within the approved limit, all decisions with regard to taking or selling off an investment is made with the approval of the Regional Credit Committee.

		2007										
Effective Yield/ Profit rate	Total	Exposed to Yield/ Interest risk									Non-profit bearing financial instruments	
		Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years		
		-----Rupees in '000-----										
40.2.3 Mismatch of interest rate sensitive assets and liabilities												
On-balance sheet financial instruments												
<u>Assets</u>												
		3,480,878	-	-	-	-	-	-	-	-	-	3,480,878
		4,131,352	4,099,192	-	-	-	-	-	-	-	-	32,160
		-	-	-	-	-	-	-	-	-	-	-
		1,153,825	-	-	-	-	-	900,000	100,000	-	-	153,825
		12,585,549	2,853,038	2,904,888	3,502,634	1,943,729	1,243,055	-	-	-	-	43,496
		404,243	-	-	-	-	-	-	-	-	-	404,243
		21,755,847	6,952,230	2,904,888	3,502,634	1,943,729	1,243,055	-	900,000	100,000	-	4,114,602
<u>Liabilities</u>												
		231,462	-	-	-	-	-	-	-	-	-	231,462
		1,309,411	212,462	705,678	391,271	-	-	-	-	-	-	-
		16,964,566	10,207,229	1,386,002	423,023	1,754,420	469,454	485,931	387,944	-	-	1,850,563
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		627,784	-	-	-	-	-	-	-	-	-	627,784
		19,133,223	10,419,691	2,091,680	814,294	1,754,420	469,454	485,931	387,944	-	-	2,709,809
		2,622,624	(3,467,461)	813,208	2,688,340	189,309	773,601	(485,931)	512,056	100,000	-	1,404,793
On-balance sheet gap												
Off-balance sheet financial instruments												
		160,384	-	-	-	-	-	-	-	-	-	160,384
		866,072	-	-	-	-	-	-	-	-	-	866,072
		(705,688)	-	-	-	-	-	-	-	-	-	(705,688)
			(3,467,461)	813,208	2,688,340	189,309	773,601	(485,931)	512,056	100,000	-	
			(3,467,461)	(2,654,253)	34,087	223,396	996,997	511,066	1,023,122	1,123,122	1,123,122	

		2006										Non-profit bearing financial instruments
		Exposed to Yield/ Interest risk										
Effective Yield/ Profit rate	Total	Upto 1	Over 1	Over 3	Over 6	Over 1	Over 2	Over 3	Over 5	Above		
		Month	to 3 Months	to 6 Months	Months to 1 Year	to 2 Years	to 3 Years	to 5 Years	to 10 Years	10 Years		
		-----Rupees in '000-----										
Mismatch of interest rate sensitive assets and liabilities												
On-balance sheet financial instruments												
<u>Assets</u>												
	-	3,355,669	-	-	-	-	-	-	-	-	-	3,355,669
	9.03%	4,259,426	4,229,328	-	-	-	-	-	-	-	-	30,098
	-	-	-	-	-	-	-	-	-	-	-	-
	9.81%	1,166,870	-	-	243,640	-	-	-	750,000	-	-	173,230
	10.11%	9,693,182	1,865,597	2,581,252	2,939,061	1,363,242	880,915	-	-	-	-	63,115
	-	172,283	-	-	-	-	-	-	-	-	-	172,283
		18,647,430	6,094,925	2,581,252	2,939,061	1,606,882	880,915	-	-	750,000	-	3,794,395
<u>Liabilities</u>												
	-	155,680	-	-	-	-	-	-	-	-	-	155,680
	7.50%	1,895,027	254,731	542,523	1,097,773	-	-	-	-	-	-	-
	7.46%	13,821,441	9,725,771	859,658	2,026,898	-	-	-	-	-	-	1,209,114
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	525,035	-	-	-	-	-	-	-	-	-	525,035
		16,397,183	9,980,502	1,402,181	3,124,671	-	-	-	-	-	-	1,889,829
On-balance sheet gap		2,250,247	(3,885,577)	1,179,071	(185,610)	1,606,882	880,915	-	-	750,000	-	1,904,566
Off-balance sheet financial instruments												
	-	559,546	-	-	-	-	-	-	-	-	-	559,546
	-	603,726	-	-	-	-	-	-	-	-	-	603,726
Off-balance sheet gap		(44,180)	-	-	-	-	-	-	-	-	-	(44,180)
Total Yield/Profit Risk Sensitivity Gap			(3,885,577)	1,179,071	(185,610)	1,606,882	880,915	-	-	750,000	-	
Cumulative Yield/Profit Risk Sensitivity Gap			(3,885,577)	(2,706,506)	(2,892,116)	(1,285,234)	(404,319)	(404,319)	(404,319)	345,681	345,681	

Yield/Profit rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. Yield risk is the risk of decline in earnings due to adverse movement of the yield curve. The bank is exposed to both profit rate risk and yield risk as result of mismatches or gaps in the amounts of assets and liabilities and off-balance sheet instruments that mature or reprice in the given period. The bank manages this risk by matching the repricing of assets and liabilities through risk management strategies.

The position of on-balance sheet financial instruments is based on the earlier of the contractual repricing or maturity date and for off-balance sheet instrument is based on settlement dates

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

Maturities of assets and liabilities	Total	2006								
		Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
-----Rupees in '000-----										
Assets										
Cash and balances with treasury banks	3,355,669	1,319,279	-	-	-	-	-	-	2,036,390	-
Balances with other banks	4,259,426	4,259,426	-	-	-	-	-	-	-	-
Lending to financial institutions	-	-	-	-	-	-	-	-	-	-
Investments	1,166,870	98,434	-	-	243,640	-	74,796	-	750,000	-
Financings	9,693,182	1,865,597	2,581,252	2,939,061	482,327	477,405	715,630	473,333	158,577	-
Other assets	321,697	106,416	-	15,867	136,165	488	-	53,695	9,066	-
Operating fixed assets	71,418	-	-	-	-	-	-	32,870	38,548	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
	18,868,262	7,649,152	2,581,252	2,954,928	862,132	477,893	790,426	559,898	2,992,581	-
Liabilities										
Bills payable	155,680	155,680	-	-	-	-	-	-	-	-
Due to financial institutions	1,895,027	254,731	542,523	1,097,773	-	-	-	-	-	-
Deposits and other accounts	13,821,441	9,725,771	859,658	463,389	1,381,147	406,138	609,207	376,131	-	-
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	-
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-
Other liabilities	726,248	235,566	76,490	140,689	63,930	69,733	74,043	52,495	13,302	-
Deferred tax liabilities	78,860	-	-	-	-	31,544	47,316	-	-	-
	16,677,256	10,371,748	1,478,671	1,701,851	1,445,077	507,415	730,566	428,626	13,302	-
Net assets	2,191,006	(2,722,596)	1,102,581	1,253,077	(582,945)	(29,522)	59,860	131,272	2,979,279	-
Share capital/ Head office capital account	2,036,390									
Unappropriated/ Unremitted profit	154,820									
Surplus on revaluation of assets	(204)									
	2,191,006									

The above maturity profile has been prepared in accordance with IAS- 30: 'Disclosure in the financial statements of banks and similar financial institutions' based on contractual maturities. However, current and saving deposits do not have any contractual maturity.

40.4 Operational Risk

This is the risk of losses resulting from inadequate or failed internal processes, people and systems, or from external events.

By its very nature, operational risk is inherent in all business activities of the Bank and hence its identification and management is not limited to a particular department/division. The operational manuals of each business activity identify key operational issues and define procedures to minimize the potential risks. Prudent and proactive operational risk management is achieved by adopting an integrated approach whereby all Bank personnel are responsible for identifying, evaluating, reporting and mitigating such risks inherent in their respective lines of activities, in accordance with their operational manuals. Furthermore, key oversight functions of the Bank such as Risk Management, Internal Audit and Compliance work in conjunction to ensure that operational policies and procedures are being observed in letter and spirit.

Like all modern-day institutions, the Bank relies heavily on computer systems to handle critical electronic data and to support its daily operations. The necessity of ensuring continuity in these IT-related operations is a source of considerable operational risk, which is mitigated through the development of a Disaster Recovery Plan (DRP). The DRP outlines standard operating procedures to be followed in case of an unforeseen disaster, interruption or breakdown in the IT systems of the bank, thereby ensuring continuity in Bank's business and in meeting customer needs. In addition, a Business Continuity Plan (BCP) is also in place to ensure rapid recovery and timely resumption of all critical business functions of the Bank following a wide-scale, regional disruption.

The Bank recognizes that the field of sophisticated and structured operational risk management is in a state of evolution. In line with the latest research and development in this area, the Bank has taken the initiative of adopting a more objective approach to operational risk management, based on actual loss events. This is envisaged to be accomplished through the identification of key risk indicators for all major business units of the Bank. Subsequent reporting of actual loss incidents within these KRIs will lead to the compilation of a loss database, which will ultimately assist in the quantification of operational risk.

40.5 Shariah non-compliance risk

Shari'ah Non-compliance risk arises due to the lack of awareness amongst the staff while processing a particular transaction, which may result in reputational loss to the bank as well as reversal of income of the bank in respect of that transaction.

This risk is covered by ensuring that all Bank personnel have detailed and relevant knowledge of Shari'ah-related issues pertaining to their respective areas. This is accomplished through periodic training sessions and workshops conducted by the Shari'ah Advisor and his team. Furthermore, the Shari'ah Desk carries out frequent transaction and policy specific reviews to identify and rectify deviations, if any.

41. GENERAL

41.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

41.2 In general captions in respect of which there are no amounts, have not been reproduced in these accounts except in case of balance sheet and profit and loss account.

41.3 These financial statements were authorised for issue on -----.

SHAFQAAT AHMED
Country Head

AYYAZ AHMAD
Chief Financial Officer