

**EMIRATES GLOBAL ISLAMIC
BANK LIMITED**

**CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010**

EMIRATES GLOBAL ISLAMIC BANK LIMITED
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010

	Note	30 September 2010 ----- (Rupees in '000)----- (Un-Audited)	31 December 2009 ----- (Rupees in '000)----- (Audited)
ASSETS			
Cash and balances with treasury banks		1,121,925	1,337,892
Balances with other banks		1,331,735	959,078
Due from financial institutions	4	160,000	1,600,000
Investments	5	3,278,947	3,356,705
Financings	6	10,161,325	9,439,243
Operating fixed assets		1,676,651	1,741,736
Deferred tax assets	7	904,484	486,639
Other assets		1,038,435	841,157
		19,673,502	19,762,450
LIABILITIES			
Bills payable		211,306	262,691
Due to financial institutions	8	250,000	20,000
Deposits and other accounts	9	15,822,950	15,081,242
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		23,995	42,457
Deferred tax liabilities		-	-
Other liabilities		684,806	862,444
		16,993,057	16,268,834
NET ASSETS		2,680,445	3,493,616
REPRESENTED BY			
Share capital		4,500,000	4,500,000
Share subscription money		657	657
Reserves		-	-
Accumulated loss		(1,820,006)	(1,012,429)
		2,680,651	3,488,228
(Deficit) / surplus on revaluation of assets - net of tax		(206)	5,388
		2,680,445	3,493,616

CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 15 form an integral part of these condensed financial statements.

President / Chief Executive

Director

Director

Director

EMIRATES GLOBAL ISLAMIC BANK LIMITED
CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

	Note	Nine months ended		Quarter ended	
		30 September 2010	30 September 2009	30 September 2010	30 September 2009
(Rupees in '000)					
Profit / return earned on financings, investments and placements	11	1,266,855	1,472,282	352,784	504,888
Return on deposits and other dues expensed		911,541	922,823	298,003	387,480
Net spread earned		355,314	549,659	54,781	117,408
Provision against non-performing financings - net		650,374	342,155	153,269	90,796
Provision for diminution in the value of investments		5,074	18,818	2,740	-
Bad debts written off directly		-	-	-	-
Net spread after provisions		655,448	360,973	156,009	90,796
		(300,134)	188,686	(101,228)	26,612
OTHER INCOME					
Fee, commission and brokerage income		36,462	151,696	9,491	21,666
Dividend income		-	-	-	-
Income from dealing in foreign currencies		62,009	82,151	12,475	41,548
Capital gain / (loss) on sale of securities		15,974	(3,118)	(11,794)	1,355
Unrealised gain / (loss) on revaluation of investments classified as held for trading		-	-	-	-
Other income		9,066	7,143	3,438	1,996
Total other income		123,511	237,872	13,610	66,565
		(176,623)	426,558	(87,618)	93,177
OTHER EXPENSES					
Administrative expenses		1,020,900	986,738	353,943	358,257
Other provisions / written offs		24,720	-	-	-
Other charges		376	62	6	-
Total other expenses		1,045,996	986,800	353,949	358,257
		(1,222,619)	(560,242)	(441,567)	(265,080)
Extra ordinary / unusual items		-	-	-	-
LOSS BEFORE TAXATION		(1,222,619)	(560,242)	(441,567)	(265,080)
Taxation - Current		(15,999)	(8,478)	(4,366)	(2,784)
- Prior years		13,821	-	(1,812)	-
- Deferred		417,220	183,637	153,464	103,959
		415,042	175,159	147,286	101,175
LOSS AFTER TAXATION		(807,577)	(385,083)	(294,281)	(163,905)
Accumulated loss brought forward		(1,012,429)	(448,416)	(1,525,725)	(669,594)
Accumulated loss carried forward		(1,820,006)	(833,499)	(1,820,006)	(833,499)
Basic and diluted loss per share (Rupee)		(1.79)	(0.86)	(0.65)	(0.36)

The annexed notes 1 to 15 form an integral part of these condensed financial statements.

President / Chief Executive

Director

Director

Director



EMIRATES GLOBAL ISLAMIC BANK LIMITED
CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

	Nine months ended		Quarter ended	
	30 September 2010	30 September 2009	30 September 2010	30 September 2009
	----- (Rupees in '000) -----			
Loss for the period - after taxation	(807,577)	(385,083)	(294,281)	(163,905)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive loss for the period	<u>(807,577)</u>	<u>(385,083)</u>	<u>(294,281)</u>	<u>(163,905)</u>

As per the requirement of the State Bank of Pakistan, surplus / deficit on revaluation of available-for-sale securities is required to be taken to a separate account 'Surplus on revaluation of assets' shown in the statement of financial position below equity. Accordingly, it has not been included in statement of comprehensive income.

The annexed notes 1 to 15 form an integral part of these condensed financial statements.

President / Chief Executive

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EMIRATES GLOBAL ISLAMIC BANK LIMITED
CONDENSED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

	Nine months ended	
	30 September 2010	30 September 2009
	------(Rupees in '000)-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(1,222,619)	(560,242)
Adjustments for:		
Depreciation	84,708	82,404
Depreciation on ijarah assets held under IFAS 2	209,519	-
Amortisation of intangible assets	25,250	22,485
Amortisation of premium on sukuk bonds	2,800	3,871
Provision against non-performing financings	650,374	342,155
Provision for diminution in the value of investments	5,074	18,818
Finance charges on leased assets	20,256	10,126
	<u>997,981</u>	<u>479,860</u>
	(224,638)	(80,382)
Decrease / (Increase) in operating assets		
Due from financial institutions	1,440,000	(2,580,000)
Financings	(1,581,975)	(113,076)
Others assets (excluding advance taxation)	(197,106)	(200,191)
	(339,080)	(2,893,268)
Increase / (decrease) in operating liabilities		
Bills payable	(51,385)	102,799
Due to financial institutions	230,000	(125,000)
Deposits and other accounts	741,707	3,927,215
Other liabilities	(177,638)	180,566
	<u>742,685</u>	<u>4,085,581</u>
	178,966	1,111,931
Income tax	(2,350)	(6,297)
Net cash flow from operating activities	<u>176,616</u>	<u>1,105,635</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	63,668	(148,915)
Investments in operating fixed assets	(46,127)	(216,703)
Sale proceeds of operating fixed assets	1,254	5,005
Net cash flow from investing activities	18,795	(360,613)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease obligations	(38,718)	(37,873)
Receipt of shares subscription money	-	-
Net cash flow from financing activities	(38,718)	(37,873)
(Decrease) / increase in cash and cash equivalents	156,693	707,149
Cash and cash equivalents at the beginning of the period	2,296,970	1,104,512
Cash and cash equivalents at the end of the period	<u>2,453,663</u>	<u>1,811,661</u>

The annexed notes 1 to 15 form an integral part of these condensed financial statements.

President / Chief Executive

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EMIRATES GLOBAL ISLAMIC BANK LIMITED
CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

	Share			Total
	Share capital	Subscription money	Accumulated loss	
----- (Rupees in '000) -----				
Balance as at 01 January 2009	4,500,000	657	(448,416)	4,052,241
Loss for the period	-	-	(385,083)	(385,083)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive loss for the period	-	-	(385,083)	(385,083)
Balance as at 30 September 2009	4,500,000	657	(833,499)	3,667,158
Loss for the period	-	-	(178,930)	(178,930)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive loss for the period	-	-	(178,930)	(178,930)
Balance as at 31 December 2009	4,500,000	657	(1,012,429)	3,488,228
Loss for the period	-	-	(807,577)	(807,577)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive loss for the period	-	-	(807,577)	(807,577)
Balance as at 30 September 2010	4,500,000	657	(1,820,006)	2,680,651

The annexed notes 1 to 15 form an integral part of these condensed financial statements.

President / Chief Executive

Director

Director

Director

EMIRATES GLOBAL ISLAMIC BANK LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

1. STATUS AND NATURE OF BUSINESS

- 1.1** Emirates Global Islamic Bank Limited (the Bank) was incorporated in Pakistan on 20 December 2004 as a public limited company under the Companies Ordinance, 1984.

The main objective of the Bank is to carry on Islamic banking business in and outside Pakistan in accordance and in conformity with Islamic Shariah. The Bank was granted an Islamic Banking License BL(i)-01(07), issued by the Banking Policy and Regulations Department of the State Bank of Pakistan (SBP) vide their letter no. BPRD (LCGD-02)/625-76/D/2007/521 dated 18 January 2007 under section 27 of the Banking Companies Ordinance, 1962 read with Islamic Banking Department circular no. 2 of 2004. Subsequently, the Bank was also granted approval for commencement of business as a scheduled bank with effect from 13 February 2007 by the SBP vide their letter no. BPRD (LCGD-02)/625-76/X/JD/2007/1269 dated 12 February 2007.

The Bank's registered office is located at the 162, Banglore Town, Main Shahrah-e-Faisal, Karachi. The Bank operates 58 branches and 2 sub-branch (31 December 2009: 58 branches and 2 sub-branches) in Pakistan.

- 1.2** The SBP vide BSD Circular No. 7 of 2009 dated 15 April 2009 requires the minimum paid up capital (free of losses) for Banks / Development Financial Institutions to be raised to Rs. 10 billion by the year ending 31 December 2013. The raise is to be achieved in a phased manner requiring Rs. 7 billion paid up capital (free of losses) by the end of financial year 2010. The Bank's paid up capital as at 30 September 2010 amounted to Rs. 4.5 billion while its accumulated losses aggregated to Rs. 1.82 billion (including Rs. 0.8 billion incurred during the current period). Consequently net equity of the Bank as at 30 September 2010 amounts to Rs. 2.68 billion.

In view of the above capital requirement, the shareholders of the Bank in their extra ordinary general meeting held on 27 July 2010 have approved the merger of the Pakistan branches of Al Baraka Islamic Bank B.S.C. (Al Baraka) with and into the Bank. The scheme of amalgamation has been approved and sanction order has been issued by SBP on 30th September, 2010.

The said scheme of amalgamation of the Bank provides that in consideration of the acquisition of the Pakistan branches of Al Baraka Islamic Bank B.S.C., the Bank will issue 443,520,000 ordinary shares of par value of Rs.10 per share to Al Baraka.

The management of the Bank is confident that Minimum Capital Requirement will be met through the above referred merger of the Bank. Further, the SBP vide their letter No. BSD/BAI-3/608/5786/2010 dated 18 August 2010 has granted exemption to the Bank for meeting the Minimum Capital Requirement till 31 October 2010.

2. STATEMENT OF COMPLIANCE

- 2.1** These condensed interim financial statements of the Bank for the nine months ended 30 September 2010 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 Securities and Exchange Commission of Pakistan (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 7 "Financial Instruments: Disclosures" 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 Letter No. 2, dated 12 May 2004 and IAS 34 "Interim Financial Reporting" and do not include all 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 2009.

3. ACCOUNTING POLICIES

- 3.1 The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2009.
- 3.2 In addition to above, following new / revised standards, amendments and interpretations to accounting standards became effective during the period:

IFRS 2 - Share-based Payment: Amendments relating to Group Cash-settled Share-based Payment Transactions
 IFRS 3 - Business Combinations (Revised)
 IAS 27 - Consolidated and Separate Financial Statements (Amendment)
 IFRIC 17 - Distributions of Non-cash Assets to owners

The adoption of the above standards, amendments and interpretations did not affect these condensed interim financial statements of the Bank.

4. DUE FROM FINANCIAL INSTITUTIONS

This represents placements made with various institutions under commodity murabaha agreement and carry returns ranging from 12.69% to 12.70% (2009: 11.75% to 13%) per annum having maturity upto 07 November 2010.

5. INVESTMENTS

	30 September 2010 (Un-Audited)			31 December 2009 (Audited)		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
	----- (Rupees in '000) -----					
Available-for-sale securities						
Sukuk certificates / bonds	3,274,931	-	3,274,931	3,241,399	-	3,241,399
Ordinary shares of listed company	3,768	-	3,768	103,768	-	103,768
Ordinary shares of unlisted company Takaful Pakistan Limited (a related party)	52,200	-	52,200	52,200	-	52,200
Investments at cost	3,330,899	-	3,330,899	3,397,367	-	3,397,367
Provision for diminution in value of investments	(51,723)	-	(51,723)	(46,649)	-	(46,649)
Investments (net of provision)	3,279,176	-	3,279,176	3,350,718	-	3,350,718
Deficit / (surplus) on revaluation of available-for-sale investments - net	(229)	-	(229)	5,987	-	5,987
Total investments at market value	3,278,947	-	3,278,947	3,356,705	-	3,356,705

6. FINANCINGS

	Note	30 September 2010 (Un-Audited)	31 December 2009 (Audited)
In Pakistan			
- Murabaha financing		5,263,250	3,453,856
- Ijarah under IFAS 2		851,626	832,433
- Net investment in Ijarah		604,978	1,031,348
- Diminishing musharaka financing		3,786,348	3,832,297
- Overdue acceptance payment		80,302	34,280
- Salam financing		519,836	524,853
- Musawamah financing		5,166	28,228
- Qarz-e-Hasna		20,937	22,015
- Financing in respect of rahnuma travel services		225	902
Financings - gross		11,132,668	9,760,212
Provision for non-performing financings - specific	6.1	964,382	313,387
Provision for non-performing financings - general	6.1	6,961	7,582
Financings - net of provision		10,161,325	9,439,243

6.1 Financings include Rs. 2,751.664 million (31 December 2009: Rs. 1,213.944 million) which have been placed under non-performing status as detailed below:

	30 September 2010 (Un-Audited)								
	Classified advances			Provision required			Provision held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
Category of classification									
Substandard	975,331	-	975,331	109,850	-	109,850	109,850	-	109,850
Doubtful	368,982	-	368,982	98,970	-	98,970	98,970	-	98,970
Loss	1,407,351	-	1,407,351	755,562	-	755,562	755,562	-	755,562
	2,751,664	-	2,751,664	964,382	-	964,382	964,382	-	964,382

	31 December 2009 (Audited)								
	Classified advances			Provision required			Provision held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
Category of classification									
Substandard	714,966	-	714,966	65,077	-	65,077	65,077	-	65,077
Doubtful	328,931	-	328,931	104,559	-	104,559	104,559	-	104,559
Loss	170,097	-	170,097	143,751	-	143,751	143,751	-	143,751
	1,213,994	-	1,213,994	313,387	-	313,387	313,387	-	313,387

Particulars of provisions against non - performing financings

	30 September 2010			31 December 2009		
	Specific	General	Total	Specific	General	Total
		(Rupees in '000)				
Opening balance	313,387	7,582	320,969	2,047	9,134	11,181
Charge for the period / year	650,995	-	650,995	311,340	-	311,340
Reversals	-	(621)	(621)	-	(1,552)	(1,552)
Closing Balance	964,382	6,961	971,343	313,387	7,582	320,969

7. DEFERRED TAX ASSETS

	30 September	31 December
	2010	2009
	(Rupees in '000)	
	(Un-Audited) (Audited)	
Deferred tax debits arising in respect of :		
Provision against non performing financings	301,006	78,179
Provision against diminution in value of investments	18,103	16,327
Pre-commencement expenditure	16,098	25,756
Deferred tax asset in respect of minimum tax to be carried forward and adjusted against tax liability of future years	29,621	13,622
Asset subject to ijarah under IFAS2	-	7,960
Accumulated losses	765,520	492,470
Tax effect of deficit of investments classified as available-for-sale	23	-
Other deductible temporary difference	13	-
	1,130,384	634,314
Deferred credits arising due to:		
Fixed asset - leased	7,700	8,764
Tax effect of accelerated depreciation charged for tax purposes on owed assets	101,748	99,354
Tax effect of fixed assets - subject to ijarah	(3,781)	38,958
Tax effect of revaluation of investments classified as available-for-sale	-	599
Asset subject to ijarah under IFAS2	120,233	-
	225,900	147,675
	904,484	486,639

8. DUE TO FINANCIAL INSTITUTIONS

This represents borrowings from various institutions at the rate of return at 9.8% (Dec 2009: 9%) per annum having maturity upto 20 October 2010.

30 September 2010	31 December 2009
----- Rupees In'000-----	
(Un-Audited)	(Audited)

9. DEPOSITS AND OTHER ACCOUNTS

Customers

Fixed deposits	7,673,242	8,088,253
Savings deposits	5,564,456	4,684,440
Current accounts - non-remunerative	2,378,727	1,961,269
Margin deposits	66,424	76,571
	15,582,849	14,810,533

Financial Institutions

Remunerative deposits	234,418	267,245
Non-remunerative deposits	5,683	3,464
	240,101	270,709
	15,822,950	15,081,242

10. CONTINGENCIES AND COMMITMENTS

10.1 Transaction related contingent liabilities

Includes advance payment guarantees in favour of:

i) Government	421,055	254,171
ii) Banking companies and other financial institutions	-	30,001
iii) Others	2,643,904	2,739,809
	3,064,959	3,023,981

10.2 Trade related contingent liabilities

Letter of credit	155,759	566,527
Acceptances	135,248	199,679

10.3 Other Contingencies

10.3.1 The Bank had entered into agreement with Mr. Furqan A. Sheikh for the exchange of Bank's property situated at Main Khayaban-e-Tanzeem, Phase V, DHA, Karachi with a building to be constructed on Modern Cooperative Housing Society, Main Shahrah-e-Faisal, Karachi by 31 March 2010. The Bank has also paid Rs. 25 million as an advance against such building. The Bank's considers that as the construction work on the Modern Cooperative Housing Society, Main Shahrah-e-Faisal, Karachi has not been completed on the said date, the said agreement stands cancelled and the amount is refundable to the Bank.

During the period a law suit has been filed by Mr. Furqan A. Sheikh against the Bank seeking appointment of arbitrator for the execution of agreement between Mr. Furqan A. Sheikh and the Bank as referred above. The management, based on the opinion of its legal consultant is confident that the case will be decided in the favour of the Bank and hence no provision has been considered necessary in these condensed interim financial statements in respect of loss on exchange of property amounting to Rs 210.06 million that may be occasioned upon the implementation of the above referred property exchange agreement or on account of non-refund of the advance paid by the Bank.

10.3.2 During the period, a constitutional petition and certain suits have been filed by Mr. Faisal Vawda in the High Court of Sindh against the Bank wherein Mr. Vawda has claimed that he was offered 24 million ordinary shares of the Bank at an aggregate value of Rs 300 million as sale consideration against the commercial property sold to the bank. He further claimed that in addition to the said property, he has also paid Rs. 60 million towards the purchase consideration for the above referred shares. However, the said shares or any other consideration against the property has not been received by him. Based on the above, Mr. Vawda has alleged the Bank of involvement in illegal business and has requested the Honorable High court to direct the SBP to refrain from according approval / sanction to the prospective merger between the Bank and Al- Baraka Islamic Bank. The bank contends that the aforesaid allegations of Mr Vawda are baseless and without any merit and that the subject property has been duly purchased and paid for by the Bank. Further, in the opinion of legal advisor of the Bank, the petitioner is not likely to be successful in securing the reliefs prayed in the said petitions.

10.4 Commitments In respect of forward exchange contracts

Purchase	<u>143,390</u>	<u>2,025,532</u>
Sale	<u>842,673</u>	<u>1,998,765</u>

10.5 Commitments for operating lease

Commitments in respect of ijarah payments under ijarah are:

- not later than one year	22,125	19,163
- later than one year and not later than five years	34,222	44,532
- later than five years	-	-
	<u>56,347</u>	<u>63,695</u>

10.6 Commitments for acquisition of operating fixed assets

Commitments in respect of purchase of property	<u>281,728</u>	<u>281,728</u>
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10.7 Commitments in respect of Investments

Purchase of sukuk certificates	<u>899,001</u>	<u>498,732</u>
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Nine months ended
30 September 2010 **30 September 2009**
 -----Rupees in'000-----
 (Un-Audited)

11. PROFIT / RETURN EARNED ON FINANCINGS, INVESTMENTS AND PLACEMENTS

On financings to:		
- Customers	829,347	1,001,675
- Employees	7,474	6,482
On investments in:		
- Available-for-sale securities	354,964	301,566
On deposits with banks	11,857	8,907
On placements under commodity murabaha	63,213	153,653
	<u>1,266,855</u>	<u>1,472,282</u>

12. RELATED PARTY TRANSACTIONS

12.1 Details of transactions with related parties and balances as at the period end are as follows:

	Total		Associates		Key management personnel	
	September 2010	December 2009	September 2010	December 2009	September 2010	December 2009
	----- Rupees in '000 -----					
Subscription money						
Balance at beginning of period / year	657	657	657	657	-	-
Received during the period	-	-	-	-	-	-
Refund during the period	-	-	-	-	-	-
Allotment of shares	-	-	-	-	-	-
Balance at end of period / year	<u>657</u>	<u>657</u>	<u>657</u>	<u>657</u>	<u>-</u>	<u>-</u>
Financings						
Balance at beginning of period / year	108,714	128,446	12,845	14,198	95,869	114,248
Disbursed during the period	23,036	24,915	-	1,628	23,036	23,287
Repaid during the period	(15,321)	(44,647)	(5,606)	(2,981)	(9,715)	(41,666)
Balance at end of period / year	<u>116,429</u>	<u>108,714</u>	<u>7,239</u>	<u>12,845</u>	<u>109,190</u>	<u>95,869</u>
Deposits						
Balance at beginning of period / year	245,912	123,136	225,685	93,837	20,227	29,299
Received during the period	516,482	1,315,028	315,552	1,169,586	200,930	145,442
Withdrawn during the period	(606,170)	(1,192,251)	(419,338)	(1,037,737)	(186,832)	(154,514)
Balance at end of period / year	<u>156,224</u>	<u>245,912</u>	<u>121,899</u>	<u>225,685</u>	<u>34,325</u>	<u>20,227</u>
Other payable						
Balance at beginning of period / year	4,857	4,335	4,857	4,335	-	-
Accrued during the period	5,257	3,776	5,257	3,776	-	-
Paid during the period	(8,652)	(3,254)	(8,652)	(3,254)	-	-
Balance at end of period / year	<u>1,462</u>	<u>4,857</u>	<u>1,462</u>	<u>4,857</u>	<u>-</u>	<u>-</u>
Other receivable						
Balance at beginning of period / year	-	-	-	-	-	-
Accrued during the period	558	-	558	-	-	-
Paid during the period	(300)	-	(300)	-	-	-
Balance at end of period / year	<u>258</u>	<u>-</u>	<u>258</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Balances						
Profit receivable on financings	494	5,027	182	261	312	4,766
Investment in Takaful Pakistan Limited	52,200	52,200	52,200	52,200	-	-
Provision for diminution in value of investments	26,723	21,649	26,723	21,649	-	-
Return payable on deposits	199	2,716	93	95	106	2,621
Transactions, income and expenses						
Profit earned on financing	2,963	8,200	1,091	2,699	1,872	5,501
Return on deposits	5,899	12,708	4,948	620	951	12,088
Salaries and allowances	82,400	55,162	-	-	82,400	55,162
Contribution to defined contribution plan	18,127	21,913	-	-	18,127	21,913
Charge for defined benefit plan	15,396	18,209	-	-	15,396	18,209

13. SEGMENT BY CLASS OF BUSINESS

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

Nine months ended 30 September 2010 (Un-Audited)				
Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	
(Rupees in'000)				
Total income	3,757	508,017	59,724	818,870
Total expenses	5,447	61,573	1,116,404	1,429,561
Net income (loss)	(1,690)	446,444	(1,056,680)	(610,691)
Segment Return on net Assets (ROA) (%)	15.40%	17.15%	14.30%	18.65%
Segment Cost of funds (%)	0.00%	9.24%	6.78%	16.21%

As at 30 September 2010 (Un-Audited)				
Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	
(Rupees in'000)				
Segment assets (gross of provisions)	4,737	4,988,366	2,267,716	13,404,027
Segment non performing loans (NPL)			389,949	2,361,716
Segment provision required against NPL			122,061	849,282
Segment liabilities	852	253,965	9,123,802	7,614,439

Third quarter ended 30 September 2009 (Un-Audited)				
Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	
(Rupees in'000)				
Total income	104,134	542,907	76,005	987,108
Total expenses	10,512	118,038	848,014	1,293,832
Net income (loss)	93,622	424,869	(772,009)	(306,724)
Segment Return on Assets (ROA) (%)	247.43%	6.88%	(16.18%)	(6.02%)
Segment Cost of funds (%)	0.00%	18.62%	11.89%	11.00%

For the year ended 31 December 2009 (Audited)				
Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	
(Rupees in'000)				
Segment assets (gross of provisions)	344,353	5,982,624	2,415,579	11,340,863
Segment non performing loans (NPL)	-	-	79,798	1,134,196
Segment provision required against NPL	-	-	23,451	297,518
Segment liabilities	1,937	28,622	5,686,673	10,551,602

14. GENERAL

14.1 Figures have been rounded off to the nearest thousand rupees.

15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on 21st October 2010.

President / Chief Executive

Director

Director

Director