

Condensed Interim Statement of Financial Position

As at March 31, 2012

	Notes	Un-audited March 31, 2012	Audited December 31, 2011
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		4,453,106	4,436,142
Balances with other banks		51,307	94,322
Lendings to financial institutions		511,061	3,100,803
Investments	5	16,974,940	17,547,640
Advances	6	50,852,603	49,936,279
Operating fixed assets		4,771,377	4,755,911
Deferred tax assets (net)		3,533,488	3,569,417
Other assets		8,886,274	7,229,763
		90,034,156	90,670,277
LIABILITIES			
Bills payable		1,387,552	1,679,456
Borrowings from financial institutions		12,399,075	17,781,686
Deposits and other accounts		68,475,937	64,071,908
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		2,033,526	1,498,720
		84,296,090	85,031,770
NET ASSETS			
		5,738,066	5,638,507
REPRESENTED BY			
Paid-up capital	7	26,716,048	26,716,048
Reserves		139,013	139,013
Discount on issue of right shares		(13,284,674)	(13,284,674)
Accumulated loss		(7,946,319)	(8,054,519)
		5,624,068	5,515,868
Surplus/ (deficit) on revaluation of assets	8	113,998	122,639
		5,738,066	5,638,507
CONTINGENCIES AND COMMITMENTS			
	9		

The annexed notes 1 to 14 form an integral part of these financial statements.

Azmat Tarin
President & CEO

Munnawar Hamid, OBE
Chairman

Tariq Iqbal Khan
Director

Humayun Bashir
Director


Condensed Interim Profit and Loss Account - Unaudited For The Quarter Ended March 31, 2012

	March 31, 2012	March 31, 2011
	Rupees in '000	
Mark-up / return / interest earned	2,215,440	2,014,683
Mark-up / return / interest expensed	1,781,340	1,539,075
Net Mark-up/ Interest Income	434,100	475,608
(Reversal) / Provision against non-performing loans and advances - net	(24,179)	(270,188)
Provision against Consumer Financing	8,968	38,144
Recovery against write off loan	(492,740)	-
(Appreciation) / Impairment in the value of Investment	(12,000)	9,856
Bad debts written off directly	-	-
	(519,951)	(222,188)
Net Mark-up / Interest Income after provisions	954,051	697,796
NON MARK-UP / INTEREST INCOME		
Fee, Commission and Brokerage Income	101,899	101,004
Dividend Income	23,334	22,368
Income from dealing in foreign currencies	57,847	30,232
(Loss) / gain on sale of securities - net	(9,435)	49,301
Unrealized (loss) on revaluation of investments - held for trading	-	(126)
Other Income	44,578	40,694
Total non-markup/interest Income	218,223	243,473
	1,172,274	941,269
NON MARK-UP / INTEREST EXPENSES		
Administrative expenses	979,085	859,709
Other provisions / (reversal) / write offs	21,000	(75,405)
Other charges	-	56
Total non-markup / interest expenses	1,000,085	784,360
PROFIT BEFORE TAXATION	172,189	156,909
Income tax expense		
Taxation - Current	24,337	28,381
- Prior	-	-
- Deferred	40,581	26,537
	64,918	54,918
PROFIT AFTER TAXATION	107,271	101,991
Earnings per share - Basic and Diluted - Rupee	0.04	0.04

The annexed notes 1 to 14 form an integral part of these financial statements.



Azmat Tarin
President & CEO



Munnawar Hamid, OBE
Chairman



Tariq Iqbal Khan
Director



Humayun Bashir
Director

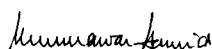
Condensed Interim Statement of Comprehensive Income - Unaudited For The Quarter Ended March 31, 2012

	March 31, 2012	March 31, 2011
	Rupees in '000	
Profit for the period	107,271	101,991
Comprehensive income transferred to equity	107,271	101,991
Components of comprehensive income not reflected in equity		
Surplus / (deficit) on revaluation of assets	206,992	(62,505)
Deferred tax (liabilities) / assets on revaluation of assets	(40,793)	6,558
	166,199	(55,947)

The annexed notes 1 to 14 form an integral part of these financial statements.



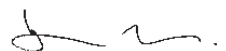
Azmat Tarin
President & CEO



Munnawar Hamid, OBE
Chairman



Tariq Iqbal Khan
Director



Humayun Bashir
Director


Condensed Interim Statement of Cashflows - Unaudited For The Quarter Ended March 31, 2012

	Note	March 31, 2012	March 31, 2011
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		172,189	156,909
Dividend Income		(23,334)	(22,368)
		<u>148,855</u>	<u>134,541</u>
Adjustments for non-cash items			
Depreciation		93,884	93,445
Amortization of premium on investment		25,109	56,488
Amortization of intangible assets		16,260	21,419
(Reversal) / Provision against non-performing advances		(24,179)	(270,188)
Provision / (Reversal) against consumer finance		8,968	38,144
(Appreciation) / Impairment in the value of Investment		(12,000)	9,856
Unrealized Gain on revaluation of investments - held for trading		-	126
Provision for Gratuity		12,512	-
Other (reversal) / provisions written back		21,000	(75,405)
Gain on sale of fixed assets		(608)	(322)
Financial charges on leased assets		-	-
		<u>140,946</u>	<u>(126,437)</u>
		289,801	8,104
(Increase)/ Decrease in operating assets			
Lendings to financial institutions		2,589,742	(680,341)
Net investments in Held-for-Trading securities		-	2,057
Advances		(901,113)	(1,570,750)
Other assets		(1,655,410)	(1,007,102)
		<u>33,219</u>	<u>(3,256,136)</u>
Increase/ (Decrease) in operating liabilities			
Bills payable		(291,904)	98,978
Borrowings from financial institutions		(5,382,611)	2,006,769
Deposits		4,404,029	2,735,581
Other liabilities		522,810	459,218
		<u>(747,676)</u>	<u>5,300,546</u>
		<u>(424,656)</u>	<u>2,052,514</u>
		<u>(24,853)</u>	<u>17,974</u>
Income tax paid		<u>(449,509)</u>	<u>2,070,488</u>
Net cash flow from operating activities			
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in Available-for-Sale securities		(638,278)	(1,310,722)
Net investment in Held-to-Maturity securities		1,185,505	(34,202)
Dividend Received		1,233	22,368
Sale proceeds of property & equipment disposed off		11,917	2,979
Investment in operating fixed assets		(136,919)	(20,055)
Net cash flow from investing activities		<u>423,458</u>	<u>(1,339,632)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Issuance of right shares		-	-
Expenses on issuance of right shares		-	-
Payment of lease obligations		-	-
Net cash flow from financing activities		<u>-</u>	<u>-</u>
Increase/(Decrease) in cash and cash equivalents		<u>(26,051)</u>	<u>730,856</u>
Cash and cash equivalents at January 01,		4,530,464	3,503,879
Cash and cash equivalents at March 31,	10	<u>4,504,413</u>	<u>4,234,735</u>

The annexed notes 1 to 14 form an integral part of these financial statements.



Azmat Tarin
President & CEO



Munnawar Hamid, OBE
Chairman



Tariq Iqbal Khan
Director



Humayun Bashir
Director

Condensed Interim Statement of Changes in Equity For The Quarter Ended March 31, 2012

	Share Capital	Discount on Issue of Shares	Share Deposit Money	*Statutory Reserves	Others	Accumulated Profit / (Loss)	Total Equity
Rupees in '000							
Balance as at January 01, 2011 (Audited)	26,716,048	(13,284,674)	-	-	-	(8,614,289)	4,817,085
Total comprehensive Income for the period							
Profit after tax for the period ended March 31, 2011 (Un-Audited)	-	-	-	-	-	101,991	101,991
	26,716,048	(13,284,674)	-	-	-	(8,512,298)	4,919,076
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation- net of tax	-	-	-	-	-	929	929
Balance as at March 31, 2011 (Un-audited)	26,716,048	(13,284,674)	-	-	-	(8,511,369)	4,920,005
Total comprehensive Income for nine months							
Profit after tax for the nine months ended December 31, 2011 (Audited)	-	-	-	-	-	593,072	593,072
	26,716,048	(13,284,674)	-	-	-	(7,918,297)	5,513,077
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation- net of tax	-	-	-	-	-	2,791	2,791
Transfer from statutory reserve	-	-	-	139,013	-	(139,013)	-
	-	-	-	139,013	-	(136,222)	2,791
Balance as at December 31, 2011 (Audited)	26,716,048	(13,284,674)	-	139,013	-	(8,054,519)	5,515,868
Total comprehensive Income for the period							
Profit after tax for the period ended March 31, 2012 (Un-audited)	-	-	-	-	-	107,271	107,271
	26,716,048	(13,284,674)	-	139,013	-	(7,947,248)	5,623,139
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	-	-	-	929	929
Transfer to statutory reserve	-	-	-	-	-	-	-
	-	-	-	-	-	929	929
Balance as at March 31, 2012 (Un-Audited)	26,716,048	(13,284,674)	-	139,013	-	(7,946,319)	5,624,068

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

The annexed notes 1 to 14 form an integral part of these financial statements.

Azmat Tarin
President & CEO

Munnawar Hamid, OBE
Chairman

Tariq Iqbal Khan
Director

Humayun Bashir
Director

Notes to the Condensed Interim Financial Statements - Unaudited For The Quarter Ended March 31, 2012

1. STATUS AND NATURE OF BUSINESS

- 1.1 Silkbank Limited ("the Bank") was incorporated in Pakistan on April 04, 1994 as a public limited company under the Companies Ordinance, 1984. The Bank commenced commercial operations on May 07, 1995. Its shares are quoted on all the Stock Exchanges in Pakistan. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962. It operates through 85 branches (December 31, 2011: 85) in Pakistan with the registered office located at Silkbank Building, I. I. Chundrigar Road, Karachi. The short term and long term credit rating of the Bank rated by JCR-VIS Credit Rating Company Limited in August 2011 is 'A-2' and 'A-' respectively.
- 1.2 Majority shareholding 82.1709 % in the Bank as on March 31, 2012 is held by a consortium comprising of International Finance Corporation (IFC), Nomura European Investment Limited, Bank Muscat S.A.O.G and executives of the Sinthos Capital Advisors Limited.
- 1.3 In 2010, the Bank had issued 311% Rights Shares at a discount of Rs. 7.50 per share to generate a net capital of Rs. 7 billion to meet the minimum capital requirement (MCR) set by State Bank of Pakistan, which have remained partly unsubscribed by Rs. 2.572 billion. The State Bank of Pakistan has granted extension to the Bank till June 30, 2012 for meeting this shortfall in the MCR, as well as CAR. In order to further progress and complete subscription process of Unsubscribed Rights Shares, the Board of the Bank, in its meeting held on February 29, 2012, approved the allotment of 1,028,710,173 Unsubscribed Rights Shares, earlier allotted to Mr. Azmat Tarin, to Mr. Shaukat Tarin. The Board has also authorized Mr. Shaukat Tarin to further allot / transfer all or part of the Right Shares to such new investor / investors as he may deem fit, on or before June 30, 2012, subject to compliance of regulatory requirements.

The Bank has further made arrangements to raise Rs. 1.5 billion in subordinated debt/TFCs to support CAR and has been actively following up with potential investors to achieve MCR.

In compliance with SBP letter No. BPRD/BLRD-04/SILKBANK/2011/10683 dated August 24, 2011, the adjusted CAR of the Bank stands at 6.31% as on March 31, 2012.

2. BASIS OF PRESENTATION

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by bank from their customers and immediate resale to them at appropriate markup in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

These financial statements have been prepared in Pakistani Rupee which is the reporting and functional currency.

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved Accounting Standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (ISAB) as notified under the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the provisions of and directives issued by the State Bank of Pakistan (SBP) and Securities and Exchange Commission of Pakistan (SECP). In case requirements differ, the provisions of Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or the requirement of said directives shall prevail.

The SBP has deferred the applicability of International Accounting Standard 39, "Financial Instruments: Recognition and Measurement" (IAS 39) and International Accounting Standard 40, "Investment Property" (IAS 40) for banking companies till further instructions. Further, according to the notification of SECP dated April 28, 2008, IFRS 7 - "Financial Instruments Disclosures" has not been made applicable for banks. However, instruments have been classified and valued in accordance with the requirements of various circulars issued by SBP.

Notes to the Condensed Interim Financial Statements - Unaudited For The Quarter Ended March 31, 2012

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Preparation of the condensed interim financial information requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed interim financial information, the significant judgments made by the management in applying the company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2011.

5. INVESTMENTS

	Held by bank	Given as collateral	Total
	Rupees in '000		
As at March 31, 2012 (Un-Audited)	10,778,229	6,196,711	16,974,940
As at December 31, 2011 (Audited)	7,011,369	10,536,271	17,547,640

March 31, 2012-(Un-audited)			December 31, 2011-(Audited)		
Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
Rupees In '000					

5.1 Investments by Types:

Held for Trading Securities

Listed Shares	-	-	-	-	-	-
---------------	---	---	---	---	---	---

Available-for-Sale Securities

Market Treasury Bills	3,134,883	3,397,643	6,532,526	403,410	6,627,271	7,030,681
Pakistan Investment Bonds	1,351,684	1,754,720	3,106,404	687,793	1,610,410	2,298,203
GOP Ijara Sukuk	3,048,310	-	3,048,310	3,041,258	-	3,041,258
Mutual Funds	9,283	-	9,283	11,233	-	11,233
Preference Shares - Listed	15,000	-	15,000	15,000	-	15,000
Term finance certificates - Listed	346,124	-	346,124	143,435	113,834	257,269
Unlisted	989,193	-	989,193	802,696	-	802,696
Ordinary Shares - Listed	683,778	-	683,778	661,109	-	661,109
Unlisted	37,026	-	37,026	37,026	-	37,026
Available-for-Sale Securities	9,615,281	5,152,363	14,767,644	5,802,960	8,351,515	14,154,475

Held to Maturity Securities

Pakistan Investment Bonds	1,110,244	1,044,348	2,154,592	1,145,367	2,184,756	3,330,123
Term Finance Certificate - Listed	27,474	-	27,474	37,448	-	37,448
Shares Repo	74,910	-	74,910	74,910	-	74,910
Held to Maturity Securities	1,212,628	1,044,348	2,256,976	1,257,725	2,184,756	3,442,481
Investment in associate	57,000	-	57,000	45,000	-	45,000
Investments at Cost	10,884,909	6,196,711	17,081,620	7,105,685	10,536,271	17,641,956

Less : Provisions for diminution in value

of investments	(86,563)	-	(86,563)	(86,563)	-	(86,563)
Investments - net of provision	10,798,346	6,196,711	16,995,057	7,019,122	10,536,271	17,555,393
Gain / (Deficit) on revaluation of						
Held-for-trading investments	-	-	-	-	-	-
Available- for-sale investments	(20,117)	-	(20,117)	(7,753)	-	(7,753)
Total Investments	10,778,229	6,196,711	16,974,940	7,011,369	10,536,271	17,547,640

Notes to the Condensed Interim Financial Statements - Unaudited

For The Quarter Ended March 31, 2012

	Note	March 31, 2012 Unaudited	December 31, 2011 Audited
		Rupees in '000	
5.2 Investments by segments			
Federal Government Securities			
Market treasury bills		6,532,526	7,030,681
Pakistan investment bonds		5,260,996	5,628,326
IJARA Sukuk		3,048,310	3,041,258
		14,841,832	15,700,265
Fully paid-up ordinary shares			
Listed companies		683,778	661,109
Unlisted companies		37,026	37,026
		720,804	698,135
Term finance certificate, debentures, bonds and participation term certificates			
Term Finance certificates - Listed		373,598	294,717
- Unlisted		989,193	802,696
		1,362,791	1,097,413
Other Investments			
Mutual fund units		9,283	11,233
Preference shares - Listed		15,000	15,000
Investment in associates		57,000	45,000
Shares repo		74,910	74,910
		156,193	146,143
Investment at Cost		17,081,620	17,641,956
Provision for diminution in the value of investments		(86,563)	(86,563)
Investments - net of provision		16,995,057	17,555,393
Deficit on revaluation of held for trading investments		-	-
Deficit on revaluation of available for sale investments		(20,117)	(7,753)
Total Investments		16,974,940	17,547,640
6. ADVANCES - NET			
Loans, cash credits, running finances, etc.			
In Pakistan		55,099,537	54,367,573
Outside Pakistan		-	-
		55,099,537	54,367,573
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		254,768	209,611
Payable outside Pakistan		790,058	732,178
		1,044,826	941,789
Advances - gross		56,144,363	55,309,362
Provision for non-performing advances - specific	6.1	(5,171,544)	(5,261,835)
Provision against consumer finance- general	6.2	(120,216)	(111,248)
		50,852,603	49,936,279

Notes to the Condensed Interim Financial Statements - Unaudited For The Quarter Ended March 31, 2012

6.1 Advances include Rs. 10,843 (2011: Rs. 11,023) million which have been placed under non-performing status as detailed below.

Category of classification - specific	March 31, 2012-(Un-audited)			December 31, 2011-(Audited)		
	Classified Advances	Provision Required (Domestic)	Provision held	Classified Advances	Provision Required (Domestic)	Provision held
	Rupees In '000					
Substandard	560,115	26,887	26,887	1,028,712	147,126	147,126
Doubtful	1,794,544	337,432	337,432	1,373,709	118,922	118,922
Loss	8,488,233	4,807,225	4,807,225	8,620,521	4,995,787	4,995,787
	10,842,892	5,171,544	5,171,544	11,022,942	5,261,835	5,261,835

6.2 Particulars of provision against non-performing advances

	March 31, 2012-(Un-audited)			December 31, 2011-(Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees In '000					
Opening balance	5,261,835	111,248	5,373,083	8,556,924	13,182	8,570,106
Charge for the period	322,211	9,303	331,514	429,134	99,386	528,520
Reversals	(346,390)	(335)	(346,725)	(3,012,510)	(1,320)	(3,013,830)
Net charge / (reversals) for the period	(24,179)	8,968	(15,211)	(2,583,376)	98,066	(2,485,310)
Amounts written off	(66,112)	-	(66,112)	(711,713)	-	(711,713)
Closing Balance	5,171,544	120,216	5,291,760	5,261,835	111,248	5,373,083

6.3 General provision against consumer finance loan represents provision made equal to 1.5% of the fully secured performing portfolio and 5% of the unsecured performing portfolio as required by the Prudential Regulations issued by the SBP for Consumer Financing.

7. SHARE CAPITAL

Authorized capital

March 31, 2012 Unaudited	December 31, 2011 Audited		March 31, 2012 Unaudited	December 31, 2011 Audited
No. of shares in '000			Rupees in '000	
4,000,000	4,000,000	Ordinary shares of Rs.10 each	40,000,000	40,000,000

Issued, subscribed and paid up share capital

March 31, 2012 Unaudited	December 31, 2011 Audited		March 31, 2012 Unaudited	December 31, 2011 Audited
No. of shares in '000			Rupees in '000	
800,315	800,315	Ordinary shares of Rs. 10 each fully paid in cash	8,003,150	8,003,150
100,000	100,000	Ordinary shares of Rs. 10 each fully paid in cash and issued at a discount of Rs. 2.5 per share	1,000,000	1,000,000
1,771,290	1,771,290	Ordinary shares of Rs. 10 each fully paid in cash and issued at a discount of Rs. 7.5 per share	17,712,898	17,712,898
2,671,605	2,671,605		26,716,048	26,716,048

Notes to the Condensed Interim Financial Statements - Unaudited

For The Quarter Ended March 31, 2012

	Note	March 31, 2012 Unaudited Rupees in '000	December 31, 2011 Audited
8. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS			
(Deficit) on revaluation of securities	8.1	(13,076)	(5,039)
Surplus on revaluation of property and equipments	8.2	127,074	127,678
		<u>113,998</u>	<u>122,639</u>
8.1 (Deficit) / surplus on revaluation of securities			
Federal Government securities		(122,684)	(18,776)
Quoted Securities		102,567	11,023
		(20,117)	(7,753)
Deferred tax asset recognised		7,041	2,714
		<u>(13,076)</u>	<u>(5,039)</u>
8.2 Surplus on revaluation of property and equipments			
Surplus on revaluation of properties	8.3	156,228	157,157
Deferred tax (liability) recognised		(29,154)	(29,479)
		<u>127,074</u>	<u>127,678</u>
8.3 Reconciliation of surplus on revaluation of property			
At the beginning of the year		157,157	160,877
Surplus realized on account of incremental depreciation (net of tax)		(929)	(3,720)
At the end of the period / year		<u>156,228</u>	<u>157,157</u>
9. CONTINGENCIES AND COMMITMENTS			
9.1 Direct Credit substitutes		-	-
9.2 Transaction-related contingent liabilities			
Guarantees favouring			
Government		8,042,446	7,657,988
Banking companies and other financial institutions		151,948	206,948
Others		3,238,840	1,648,697
		<u>11,433,234</u>	<u>9,513,633</u>
9.3 Trade-related contingent liabilities			
Letters of Credit & Acceptances		6,161,875	4,412,150
		<u>6,161,875</u>	<u>4,412,150</u>
9.4 Claims against the bank not acknowledged as debt		351,624	348,243
		<u>351,624</u>	<u>348,243</u>
9.5 Commitments in respect of			
Forward Exchange contracts with State Bank of Pakistan, banks and other institutions			
Sale		6,252,519	3,179,611
Purchase		8,765,882	7,376,571
		<u>15,018,401</u>	<u>10,556,182</u>
9.6 Commitments in respect of			
Property civil work & equipment		993	3,395
Purchase of hardware / software		105,487	106,768
		<u>106,480</u>	<u>110,163</u>

Notes to the Condensed Interim Financial Statements - Unaudited For The Quarter Ended March 31, 2012

	March 31, 2012 Unaudited	March 31, 2011 Unaudited
	Rupees in '000	
10. CASH AND CASH EQUIVALENTS		
Cash and balance with treasury banks	4,453,106	4,213,346
Balance with other banks	51,307	21,389
	<u>4,504,413</u>	<u>4,234,735</u>

11. TAXATION

The income tax returns of the Bank for Pakistan and AJK operations have been submitted upto tax year 2011. The Bank has filed appeals before appellate authorities against certain disallowances made by taxation officer in respect of various assessment / tax years. The management is confident that the outcome of these appeals would be in favor of the Bank.

12. RELATED PARTY TRANSACTIONS

Related parties comprise of directors, major shareholders of the Bank and the companies owned by such shareholders, entities owned by the directors of the bank, companies where directors of the bank also hold directorship, key employees and entities that have key management personnel in common.

Transactions with the related parties are executed substantially on the same terms, including mark-up rates and collaterals as those prevailing at the time for comparable transaction with the unrelated parties and do not involve more than a normal risk (i.e. under the Comparable Uncontrolled Price Method).

Other than those transactions which are made under the terms of employment, the majority of the transactions with related parties comprise of loans and deposits.

Advances for the house building, conveyance and for personal use have also been provided to the staff and executives at the reduced rates in accordance with the employment and pay policy and such advances have not been disclosed in the following schedule. Facility of group life insurance and hospitalization insurance is also provided to staff and executives. In addition to this, executives of the Bank have been provided with Bank maintained car.

Notes to the Condensed Interim Financial Statements - Unaudited For The Quarter Ended March 31, 2012

Details of transactions with related parties and balances with them as at the period-end were as follows:

March 31, 2012 (Un-audited)			December 31, 2011 (Audited)		
Directors	Key Management Personnel	Associated Companies & Common Directorship	Directors	Key Management Personnel	Associated Companies & Common Directorship

Rupees In '000

Balances

Loans

Loans at the beginning of the period	21,399	11,849	-	-	-	-
Loans given during the period	-	-	-	44,837	20,329	-
Loans repaid during the period	(21,399)	(2,090)	-	(23,438)	(8,480)	-
Loans outstanding at the end of the period	-	9,759	-	21,399	11,849	-

Deposits

Deposits at the beginning of the period	18,535	78,103	5,925	12,085	101,976	55,482
Deposits received during the period	1,030,650	443,022	322,425	300,095	1,491,377	509,491
Deposits repaid during the period	(1,029,860)	(406,774)	(274,858)	(293,645)	(1,515,250)	(559,048)
Deposits at the end of the period	19,325	114,351	53,492	18,535	78,103	5,925

March 31, 2012 (Unaudited)			March 31, 2011 (Un-audited)		
----------------------------	--	--	-----------------------------	--	--

Transactions

Short term employees benefits	36,335	120,520	-	-	101,534	-
Termination benefits	2,129	6,431	-	-	7,611	-
Mark-up earned on loans	83	446	-	-	-	-
Mark-up paid on deposits	280	836	5,886	63	1,293	1,036
Services rendered / goods supplied	-	30,288	59,784	-	-	5,218
Software procured	-	-	-	-	-	8,181

13. DATE OF AUTHORISATION FOR ISSUE


The financial statements were authorised for issuance on April 26, 2012 by the Board of Directors of the Bank

14. GENERAL

Figures have been rounded off to the nearest thousand rupees.



Azmat Tarin
President & CEO



Munnawar Hamid, OBE
Chairman



Tariq Iqbal Khan
Director



Humayun Bashir
Director