

**Balance Sheet**  
**As at December 31, 2004**


	Notes	2004 (Rupees in '000')	2003
<b>ASSETS</b>			
Cash and balances with treasury banks	6	974,659	330,953
Balances with other banks	7	309,218	17,334
Lendings to financial institutions	8	1,812,907	347,579
Investments	9	766,716	951,957
Advances	10	12,158,088	6,791,963
Other assets	11	406,486	185,960
Operating fixed assets	12	129,389	67,283
		<b>16,557,463</b>	<b>8,693,029</b>
<b>LIABILITIES</b>			
Bills payable	13	98,620	74,467
Borrowings from financial institutions	14	4,159,194	1,975,230
Deposits and other accounts	15	10,648,570	4,778,974
Redeemable capital	16	-	166,607
Other liabilities	17	188,320	239,770
Deferred tax liabilities	18	98,911	198,531
		<b>15,193,615</b>	<b>7,433,579</b>
<b>NET ASSETS</b>		<b>1,363,848</b>	<b>1,259,450</b>
<b>REPRESENTED BY :</b>			
Share Capital	19	1,229,041	1,229,041
Reserves		34,125	9,603
Unappropriated profit		114,609	16,522
		<b>1,377,775</b>	<b>1,255,166</b>
(Deficit) / Surplus on revaluation of securities	20	(13,927)	4,284
		<b>1,363,848</b>	<b>1,259,450</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	21		
<b>BILLS FOR COLLECTION</b>		<b>688,009</b>	<b>226,231</b>

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

  
Khawaja Iqbal Hassan  
President and Chief Executive

  
S. M. Saleem  
Chairman

  
Dr. Chowdhury Saleh Ahmed  
Director

  
Muhammad Naseem  
Director

**Profit and Loss Account**  
**For the year ended December 31, 2004**

2004  
October  
03, 2003 to  
December 31,  
2003

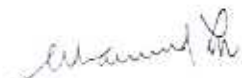
	Notes	(Rupees in '000')	
		2004	October 03, 2003 to December 31, 2003
Markup/ Return/ Interest earned	22	803,542	172,372
Markup/ Return/ Interest expensed	23	412,680	82,552
Net Markup/Interest Income		390,862	89,820
Provision against non-performing loans and advances	10.4	(73,255)	(7,794)
Provision for diminution in the value of investments		-	-
Bad debts written off directly		-	-
		(73,255)	(7,794)
Net markup/ interest income after provisions		317,607	82,026
<b>NON MARKUP / INTEREST INCOME</b>			
Fee, commission and brokerage income		40,418	4,299
Dividend income		16,015	1,125
Income from dealing in foreign currencies		25,596	783
Gain on sale of Investments		12,806	-
Other income	24	16,732	1,499
Total non-markup / interest income		111,567	7,708
		429,174	89,732
<b>NON MARKUP/ INTEREST EXPENSES</b>			
Administrative expenses	25	(393,719)	(61,987)
Other provisions	7.2	(3,964)	-
Other charges		(158)	-
Total non markup / interest expenses		(397,841)	(61,987)
Extra ordinary / unusual items		-	-
<b>Profit before taxation</b>		31,333	27,745
Taxation - Current		(14,031)	(8,682)
- Prior years		5,687	-
- Deferred		99,620	1,590
	26	91,276	(7,092)
<b>Profit after taxation</b>		122,609	20,653
Unappropriated Profit brought forward		16,522	-
<b>Profit available for Appropriation</b>		139,131	20,653
Appropriations:			
Transfer to statutory reserve		(24,522)	(4,131)
Unappropriated profit carried forward		114,609	16,522
Basic earnings per share	27	1.00	0.17

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**Cash Flow Statement**  
**For the year ended December 31, 2004**

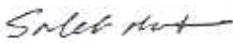
October  
03.2003 to  
December 31,  
2003


	Notes	2004	October 03.2003 to December 31, 2003
		(Rupees in '000')	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		31,333	27,745
Dividend income		16,015	1,125
		15,318	26,620
Adjustments for non-cash items			
Depreciation		29,756	4,514
Gain on sale of investments		(12,806)	-
Amortization		12,305	698
Provision against non-performing loans and advances		73,255	7,794
Other Provision		3,964	-
(Gain) / Loss on sale of property and equipment		(5,827)	83
		100,647	13,089
		115,965	39,709
(Increase) / Decrease in operating assets			
Lendings to financial institutions		(1,465,328)	(301,579)
Advances		(3,491,024)	(233,619)
Others assets (excluding advance taxation)		(26,615)	10,165
		(4,982,967)	(525,033)
Increase / (Decrease) in operating liabilities			
Bills Payable		(281,306)	45,097
Borrowings from financial institutions		315,964	247,494
Deposits and other accounts		4,587,638	66,258
Other liabilities		(85,633)	(128,691)
		4,536,663	230,158
		(330,339)	(255,166)
Income tax paid		(8,143)	(2,172)
Net cash used in operating activities		(338,482)	(257,338)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Amalgamation of CAI		980,589	-
Net investments		504,571	(545,860)
Dividend income		16,015	1,125
Payments for capital work in progress		(5,925)	-
Investments in property and equipment		(69,948)	(16,112)
Sale proceeds of property and equipment disposed-off		19,341	169
Net cash flow from / (used) in investing activities		1,444,643	(560,678)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Issue of shares		-	100
Payments of redeemable capital		(166,607)	(166,507)
Net cash used in financing activities		(166,607)	(166,407)
<b>Net Increase / (Decrease) in cash and cash equivalents</b>		939,554	(984,423)
Cash and cash equivalents at beginning of the period	28	348,287	1,332,710
Cash and cash equivalents at end of the period	28	1,287,841	348,287

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Statement of Changes in Equity  
For the year ended December 31, 2004


	Share capital	Statutory reserve	General reserve	Unappropriated Profit	Total
----- Rupees in '000' -----					
Balance as at October 03, 2003	1,228,941	-	5,472	-	1,234,413
Profit after taxation for the period	-	-	-	20,653	20,653
Transferred to statutory reserve	-	4,131	-	(4,131)	-
Issue of shares	100	-	-	-	100
<b>Balance as at December 31, 2003</b>	<b>1,229,041</b>	<b>4,131</b>	<b>5,472</b>	<b>16,522</b>	<b>1,255,166</b>
Profit after taxation for the year	-	-	-	122,609	122,609
Transferred to statutory reserve	-	24,522	-	(24,522)	-
<b>Balance as at December 31, 2004</b>	<b>1,229,041</b>	<b>28,653</b>	<b>5,472</b>	<b>114,609</b>	<b>1,377,775</b>

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