

Vision
you can
Trust



Annual Report
2005



NBP

National Bank of Pakistan



Awards & Recognitions



**Bank of the Year 2004
for Pakistan**

**Best Foreign Exchange
Bank in Pakistan 2005**

**Best Bank of the Year 2005
for Pakistan**

**Bank of the Year 2005
for Pakistan**

CREDIT RATING

Entity Rating AAA / A-1+

Stand Alone Rating AA+ / A-1+

“JCR-VIS” Credit Rating Company Ltd.

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We're Expanding horizons,
reaching out,
being there, bringing something
for Everyone

Our vision is that we want to be the pre-eminent financial institution in Pakistan and achieve market recognition both in quality and delivery of service as well as the range of product offering.

Our mission to be recognized in the market place by institutionalizing a merit and performance culture, creating a powerful and distinctive brand identity, achieving top-tier financial performance, and adopting and living out our core values.

& following values to deliver to you.

We aim to be an organization that is founded on:

Growth through creation of sustainable relationships
with our customers

Prudence to guide our business conduct

A national presence with a history of contribution to
our communities

We shall work to:

Meet expectations through market-based solutions and
products

Reward entrepreneurial efforts

Create value for all our stakeholders

We aim to be people who:

Care about relationships

Lead through the strength of our commitment and
willingness to excel

Practice integrity, honesty and hard work. We believe
that these are measures of true success

We have confidence that tomorrow we will be:

Leaders in our industry

An organization maintaining the trust of our
stakeholders

An innovative, creative and dynamic institution
responding to the changing needs of the internal and
external environment

After all, we are **The Nation's Bank**

Corporate Information

Board of Directors

Syed Ali Raza
Chairman & President

Dr. Waqar Masood Khan

Iftikhar Ali Malik

Syed Shafqat Ali Shah Jamote

M. Zubair Motiwala

Sikandar Hayat Jamali

Muhammad Khalid Malik

Azam Faruque

Audit Committee

Syed Shafqat Ali Shah Jamote
Chairman

Iftikhar Ali Malik

M. Zubair Motiwala

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

Legal Advisors

Mandviwala & Zafar
Advocates & Legal Consultants

Registered & Head Office

NBP Building
I. I. Chundrigar Road, Karachi, Pakistan.

Registrar's & Share Registration Office

THK Associates (Pvt.) Ltd.
Shares Department, Ground Floor,
Modern Motors House,
Beaumont Road, Karachi, Pakistan.



NBP CASH CARD

ATM plus Debit Card in one

One Card does it all



NBP Advance Salary

Affordable Installments from 1-60 months

Take upto 15 advance salaries
(currently for NBP account holders of govt. or related organization employees).

Financial Highlights - 2005

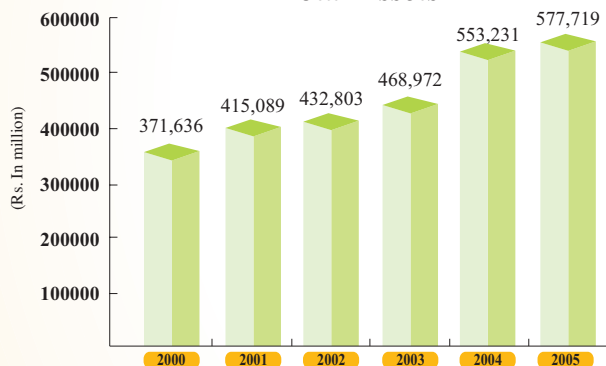
	(Rs. In Million)
Authorized Capital	7,500
Paid-up Capital	5,909
Shareholders' Equity And Reserves	74,341
Deposits	463,427
Advances - Net	268,839
Investments - Net	156,986
Total Assets	577,719
Pre-tax Profit	19,056
After-tax Profit	12,709
No. of Branches	1,242
No. of Employees	13,824

Six Year Performance at a Glance

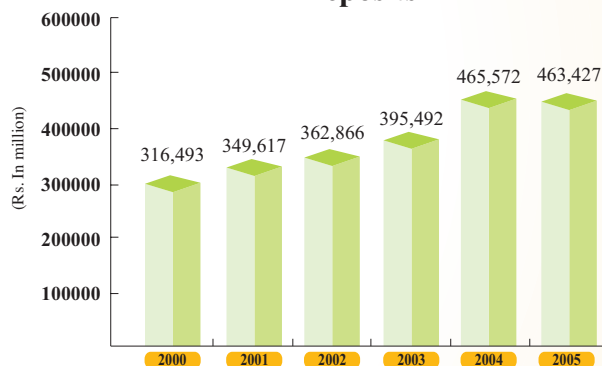
(Rs. In Million)

	Total Assets	Deposits	Advances	Investments	Shareholders' Equity
2000	371,636	316,493	140,318	72,609	11,378
2001	415,089	349,617	170,319	71,759	11,959
2002	432,803	362,866	140,547	143,525	14,279
2003	468,972	395,492	161,266	166,196	18,134
2004	553,231	465,572	220,794	149,350	24,900
2005	577,719	463,427	268,839	156,986	36,158

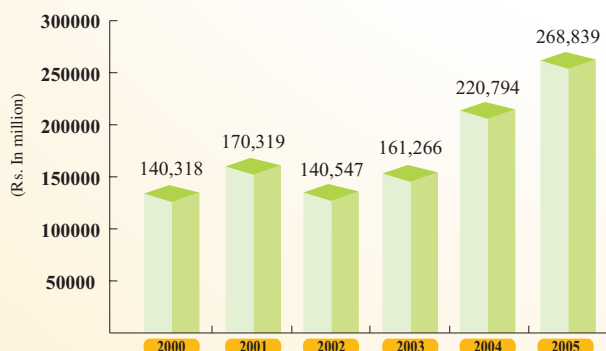
Total Assets



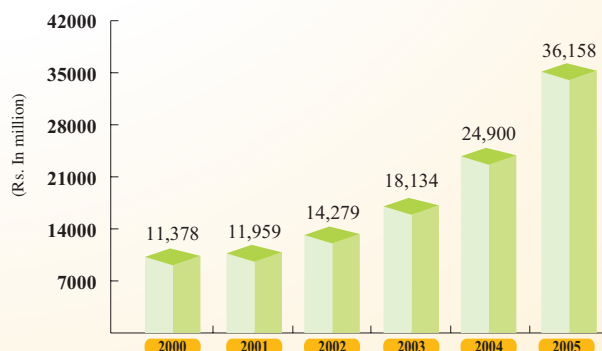
Deposits



Advances



Shareholders' Equity

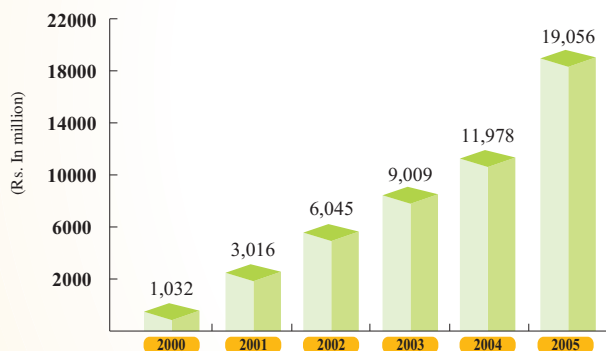


Six Year Performance at a Glance

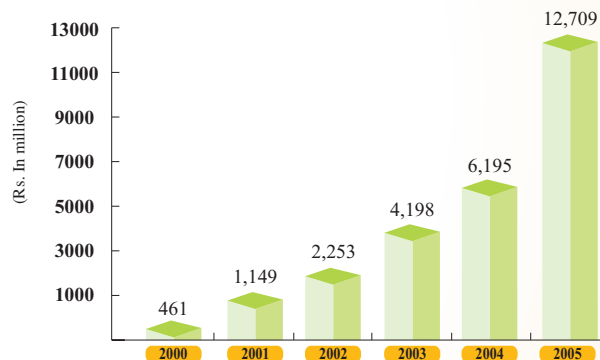
(Rs. In Million)

Pre-Tax Profit	After-Tax Profit	Earnings Per Share (Rs)	Return on Assets (Pre-Tax Profit)	Number of Branches	Number of Employees
1,032	461	1.24	0.3%	1,428	15,351
3,016	1,149	3.08	0.8%	1,245	15,163
6,045	2,253	5.49	1.4%	1,204	12,195
9,009	4,198	8.53	2.0%	1,199	13,272
11,978	6,195	10.48	2.4%	1,226	13,745
19,056	12,709	21.51	3.4%	1,242	13,824

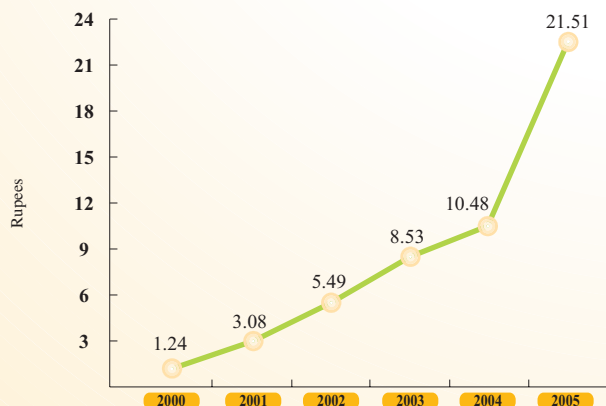
Pre-Tax Profit



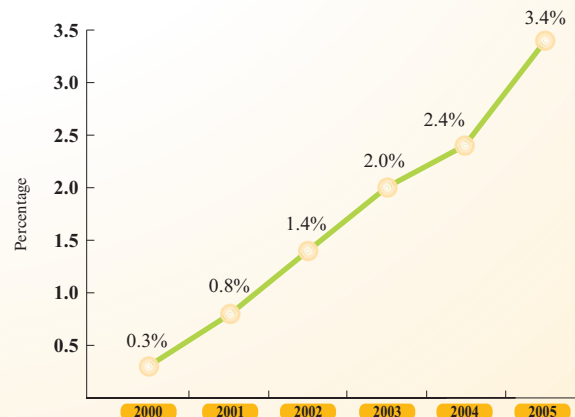
After -Tax Profit



Earnings Per Share



Return on Assets (Pre-tax profit)



Board of Directors



S. Ali Raza
Chairman & President



Dr. Waqar Masood Khan



Iftikhar Ali Malik



Syed Shafqat Ali Shah Jamote



M. Zubair Motiwala



Sikandar Hayat Jamali



Muhammad Khalid Malik



Azam Faruque

Senior Management

Masood Karim Shaikh
SEVP & Group Chief, Corporate & Investment Banking Group

Shahid Anwar Khan
SEVP & Group Chief, Commercial Banking Group

Dr. Asif A. Brohi
SEVP & Group Chief, Operations Group

Imam Bakhsh Baloch
SEVP & Group Chief, Audit & Inspection Group

Ziaullah Khan
SEVP & Group Chief, Compliance Group

Dr. Mirza Abrar Baig
SEVP & Group Chief, Human Resources Management & Administration Group

Amer Siddiqui
SEVP & Group Chief, Retail Banking Group

Muhammad Nusrat Vohra
SEVP & Group Chief, Treasury Management Group

Syed Farhan Ahmed
EVP & Chief Financial Officer

Ekhlaq Ahmed
EVP & Secretary Board of Directors

Amim Akhtar
EVP & PSO to the President

Mrs. Khurshid Maqsood Ali
EVP & Divisional Head, Employees Benefits, Disbursements & Trustee Division

Nadeem Anwar Ilyas
EVP & Divisional Head, Special Assets Management Division

Tahira Raza
EVP & Group Chief (A), Risk Management Group

Tahir Yaqoob
EVP & Group Chief, Overseas Coordination & Management Group

Mrs. Uzma Bashir
Group Chief, Organization Development & Training Group

Atif Hassan Khan
Group Chief (A), Information Technology Group

Notice of 57th Annual General Meeting

Notice is hereby given that the **57th Annual General Meeting of National Bank of Pakistan**, will, InshaAllah, be held on **Thursday, the 27th April, 2006 at 3:00 P.M. (PST)**, at Crystal Ball Room, Marriott Hotel Karachi.

The following business will be transacted in the meeting:

Ordinary Business:

1. To receive and adopt the Audited Accounts of the Bank for the year ended 31st December, 2005, together with the Directors' & Auditors' Reports thereon.
2. To appoint auditors for the year ending 31st December, 2006 and fix their remuneration.
3. To consider and approve Cash Dividend @ 25% and Bonus Shares @ 20% (thereby increasing Paid-up Capital of the Bank from Rs. 5,908,927,460/- to Rs.7,090,712,950/-) as recommended by the Board of Directors for the year ended 31st December, 2005 (subject to Government of Pakistan / Regulatory approvals).

Special Business:

4. To ratify the revision / enhancement of the Directors' remuneration / fee Package.
5. To approve / ratify the donations recommended / approved by the Board / Bank's Management, by passing the following ordinary resolution(s):

"RESOLVED THAT the donation of Rs.231,342.72, being the net sale proceeds of 1,377 fractional Bonus Shares - 2004 to a Charitable Trust / Welfare Association, name of which will be approved by the President (NBP), be and is hereby approved."

"FURTHER RESOLVED THAT the decisions taken by the Management / Board towards approving following donations, be and are hereby ratified.

- President's Relief Fund for Earthquake - 2005:	Rs.100,000,000/-
- Establishment of Tent City by Zindagi Trust for Earthquake Victims:	Rs. 5,983,000/-
- Supply of relief goods to the earthquake affected areas:	Rs. 1,836,101/-

Total Rs.107,819,101/-"

(Statement under Section 160 of The Companies Ordinance, 1984 in respect of Special Business is enclosed with the notice sent to Bank's shareholders.)

6. To transact any other business with the permission of the Chairman.

Karachi.
Date: April 04, 2006

By Order of the Board
Sd/-
(S. Ali Raza)
President

Notice of 57th Annual General Meeting

Note:

- i) The Share Transfer Books of the Bank shall remain closed from **15-4-2006 to 27-4-2006** (both days inclusive). Transfers received at Messrs THK Associates (Pvt) Ltd., Ground floor, Modern Motors House, Beaumont Road, Karachi, the Bank's Registrar and Share Transfer Agent, at the close of the business on **14-4-2006** will be treated in time for purpose of the entitlement of Cash Dividend / Bonus Shares.
- ii) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as a proxy to attend and vote on his / her behalf. The Government of Pakistan and State Bank of Pakistan and any Corporation(s), being member of the Bank, may nominate any person as its representative to attend the Annual General Meeting under authority of a Power of Attorney or a Board of Directors' Resolution. Proxies or nominations, in order to be effective and valid, must be received at the office of the Bank's Registrar / Transfer Agent, Messrs THK Associates (Pvt) Ltd., Ground floor, Modern Motors House, Beaumont Road, Karachi, not less than 48 hours before the time of holding the Annual General Meeting.
- iii) The CDC Account Holders and Sub-Account Holders, whose Registration details are available in the Share Book Detail Report shall be required to produce their respective original National Identity Cards (NICs) or original Passports at the time of attending the Annual General Meeting to facilitate identification. Such Account Holders and Sub-Account Holders should also bring / know their respective participant I.D. No. and the CDC Account Number. In case of proxy, he/she must enclose an attested copy of his / her NIC or Passport. Representative(s) of corporate member(s) should bring usual documents required for such purpose.
- iv) Members are requested to timely notify any change in their addresses to the Bank's Registrar / Transfer Agent, Messrs THK Associates (Pvt) Limited.

Statement under Section 160 of the Companies Ordinance, 1984

This statement sets out the material facts concerning the Special Business, given in agenda item No. 4 & 5 of the Notice, to be transacted at the 57th Annual General Meeting of National Bank of Pakistan.

Item No. 4:

TO RATIFY THE REVISION / ENHANCEMENT OF THE DIRECTORS' REMUNERATION & FEE PACKAGE.

The Board in its meetings No. 131 & 136 held on 30-4-2005 & 29-10-2005 respectively, reviewed "Directors' Remuneration & Fee Package" for attending meetings of the Board / Sub Committees of the Board which was approved by the Bank's shareholders in the 53rd Annual General Meeting held on August 19, 2002.

It was felt that in view of Board's enormous responsibilities as required under Section 11 of the Banks' (Nationalization) Act, 1974 (Amended) and enhanced role under the Code of Corporate Governance, directors devote their significant time in the overall stewardship and management of the affairs of the Bank in order to ensure maximum compliance to the requirements of the above-mentioned statute(s) and to promote business of the Bank. It was also noted that due to the prevalent fluctuating business environment, more Board meetings were now being held on very short notice, which creates difficulties for the directors in obtaining air ticket / suitable hotel accommodation matching with their elevated corporate identity to attend the Board / Sub Committees' meetings, therefore, an upward revision in their Travel / Accommodation / Daily Allowance is also needed.

In view of the foregoing, the Board in its meeting held on 29-10-2005 enhanced / approved out of pocket expenses & travel through Club Class for attending meeting(s) of the Board / Sub Committees of the Board as per detail given below, subject to other terms and conditions of "Directors' Remuneration & Fee Package", as already approved by the Bank's shareholders in 53rd Annual General Meeting held on August 19, 2002, to remain unchanged.

In terms of Section 11 (3-a) of The Banks' (Nationalization) Act, 1974 and SBP, BPD, Circular No. 45 dated November 22, 2004, the Shareholders are requested to ratify the above mentioned revised remuneration / fee package.

In this respect, the following ordinary resolution is proposed to be passed:

"RESOLVED THAT the Directors' revised remuneration / fee package for attending meetings of the Board / Sub Committees of the Board, as per detail given below, be and is hereby approved:

- | | | |
|----|---|--|
| a. | Travel
(In case meeting is held at stations other than that of director's residence) | One return Club class air fare
(w.e.f. 29-10-2005). |
| b. | Accommodation / Daily Allowance | Actual Hotel Bill or Daily Allowance @
Rs. 5000/- per diem, in lieu of hotel
accommodation; for a maximum period
of 3 days in either case.
(w.e.f. 29-10-2005) |
| c. | Mileage allowance
(in case of journey by Road) | @ Rs. 10/- (Rupees Ten only) Per Kilometer.
(As per previous package approved in 53 rd
AGM held on 19-8-2002) |
| d. | Meeting Fee
Out of pocket expenses | Rs.500/- }
Rs.10,000/- } Per meeting (w.e.f. 1-1-2005)" |

The directors are interested to the extent of their remuneration.

Statement under Section 160 of the Companies Ordinance, 1984

Item No. 5:

i) DONATION OF NET SALE PROCEEDS AMOUNTING TO RS.231,342.72 OF 1,377 FRACTIONAL BONUS SHARES-2004 TO A CHARITABLE TRUST / WELFARE ASSOCIATION

On the basis of operating results for the year ended December 31, 2004, the Bank's Board in its 130th meeting held on 18-3-2005, recommended payment of 15% cash dividend and 20% Bonus Shares to the Bank's shareholders, which was also approved by the Bank's shareholders in 56th AGM held on April 27, 2005.

Accordingly, Dividend Warrants and Bonus Shares were issued to the shareholders as per their entitlement. In this connection, 1,377 Bonus Shares, being fractional shares, could not be distributed to the shareholders. For disposal of these fractional 1,377 Bonus Shares, with the Board's approval dated 18-3-2005 & 28-7-2005, a consolidated Share Certificate No. 066328 bearing distinctive No. 590891370 to 590892746 in the name of "Secretary (Board), NBP", was issued which was sold, through a member of KSE, Messrs Sherman Securities (Pvt.) Ltd., against net sale proceeds of Rs. 231,342.72.

On account of high cost of computer printing, post printing, distribution / postage and handling charges of the fractional coupons, the NBP Board in its 132nd meeting held on 28-07-2005 recommended that with the approval of the shareholders, the net sale proceeds of the fractional Bonus Shares-2004, be donated to a Charitable Trust / Welfare Association.

In this connection, approval of shareholders is now being solicited for donating the net sale proceeds amounting to Rs. 231,342.72 of 1,377 fractional Bonus Shares - 2004, to a Charitable Trust / Welfare Association, name of which will be approved by the President (NBP).

ii) To ratify the decisions taken by the Bank's Management / Board for approving the donations aggregating Rs.107,819,101/-:

- a) A donation of Rs.100M for President Relief Fund for Earthquake - 2005 was approved by the Bank's Management which was ratified by the Board of Directors in its 136th meeting held on 29-10-2005.
- b) A donation of Rs. 5,983,000/- for Establishment of Tent City by Zindagi Trust for Earthquake Victims was approved by the Bank's Management which was ratified by the Board of Directors in its 139th meeting held on 28-01-2006.
- c) A donation of Rs.1,836,101/- for supply of relief goods to the earthquake affected areas was approved by the Bank's Management which was ratified by the Board of Directors in its 141st meeting held on 18-03-2006.

The above mentioned donations were made by the Bank's Management for the National cause to help Earthquake victims / sufferers.

The matter is now being placed before the shareholders for ratification in terms of SBP, BPRD Circular No. 4 dated February 02, 2000.

There is no interest, directly or indirectly, of any of the directors of NBP except as a Director of the Bank, in the above mentioned item of Special Business.



It gives me great pleasure to present on behalf of the Board of Directors annual accounts for the year ended December 31, 2005.

The year 2005 has been a very profitable year for the banking industry in the backdrop of rising interest rates and healthy growth in lending to the private sector across all sectors; industry, agriculture and services. NBP's after tax profit doubled in 2005 over 2004 and was yet again the highest in the history of Pakistan's financial sector.

For 2005, the bank's pre-tax profit was Rs. 19 billion, an increase of 58% over last year. Earning per share jumped by over 100% from Rs. 10.48 to Rs. 21.51 in 2005. All key performance indicators registered impressive growth. Pre-tax return on equity stood at 62%, pretax return on assets further improved to 3.4% from 2.4% of the last year, cost to income ratio of 0.34 remained in the top tier.

Increase in profit Increase in profit by Rs. 7 billion was achieved through strong growth in core banking income. Net interest income increased by Rs. 9 billion (63%) through a combination of growth in loan portfolio across all sectors as well as increase in spreads on account of high interest rate scenario. Dividend

income and capital gains also made a healthy contribution as these increased by Rs. 445 million and Rs.700 million respectively. Non-performing loans reduced by Rs. 2.3 billion due to cash recoveries and restructuring. Net non-performing loans were down to Rs. 5.3 billion from Rs. 7.7 billion a year ago. The bank's loan loss provision to non-performing loans improved to 84% from the last year's 79%. Advances increased by Rs. 48 billion due to impressive contribution by all business units. During the year the banks were faced with tight liquidity position which led to aggressive competition for deposit mobilization at high rates. However, NBP had surplus liquidity which enabled it to support the growth in advances, as a result the domestic deposits increased nominally by Rs 11 billion.



NBP maintained its position as the premier institution to the corporate sector as reflected by the strong growth in the corporate loan book. The Corporate & Investment Banking Group is committed to providing high quality service and has built a very strong franchise by offering structured solutions to our corporate clientele. The general business environment of the country during the year was robust with strong growth in almost all sectors, enabling the bank to increase its market penetration in the corporate sector. On the investment banking side, the bank's services ranged

Directors' Report

from financial advisory to lead managing and underwriting. Through direct equity ownership as well as over 25% holdings in NIT, Pakistan's largest mutual fund, NBP also has one of the largest equity portfolios in the country and with a booming stock market, there is much value in this portfolio.



To position the bank for capitalizing on the requirements of the relatively lower banked sectors, NBP has a strong focus on the SME's. An MOU has been signed with SMEDA (Small and Medium Enterprise Development Authority) in developing lending programs for this sector. Also

a technical assistance agreement has been signed with a US entity under the US AID backed Project for extensive training of field functionaries for SME financing. The bank has test launched its first cash flow based programmed lending product for milk suppliers. The bank considers agriculture financing as the backbone of Pakistan's economy. The bank also exceeded its advances target for agricultural financing and now has the largest portfolio in this sector.

Retail banking further consolidated its position during the year. NBP advance salary product continued its success story and the customer base swelled to over 600,000 from 550,000 in 2004. This growth has been achieved with minimum delinquencies. The bank also launched margin financing products for brokers and individuals and also soft launched an insurance product for its depositors. The ultimate objective is to be able to provide a very broad range of products through a state of the art technological base and differentiated superior service.

NBP has always been a strong, respected and trusted name in Pakistan. The bank regards customer loyalty as the cornerstone of success. Our efforts and initiatives are all geared towards safeguarding this loyalty and meeting customer's expectations. Brand recognition and strength are critical elements of customer loyalty. We understand that brand strength will be even more important in the coming years of increasing competition in the Pakistani market. Consequently, NBP underwent a comprehensive brand revitalization initiative which included a redesigned logo and standardized look for the branches.

NBP is the largest player in local money and foreign exchange market. The bank offers a wide range of treasury services to its customers. The treasury team works closely with other areas in the bank including bank's international branches providing effective solutions to its clients.

The major focus for our international operations is on trade finance and remittance business. The bank's international presence in major trading partners is a key asset enabling the bank to provide comprehensive financial services to its customers. During

the year bank's subsidiary in Almaty was issued full-fledged banking license and representative office in Baku, Azerbaijan was converted into a branch. The bank has presence in five Central Asian countries making it the only Pakistani bank in the region. Further the bank was also granted permission to open a branch in Kingdom of Saudi Arabia by Saudi Arabian Monetary Agency (SAMA). The bank has been given to understand by SAMA that it has to divest its holding in BAJ and accordingly the process for disinvestment at the best possible price has been initiated in coordination with SAMA.

Information Technology is one of the core areas where investment is being made by the bank. NBP has expanded its ATM network to over 100 branches and has automated the government collection business. Virtual Private Network has been set up and network connectivity has been strengthened to ensure smooth functioning and data centralization. The acquisition of the core banking



software has been finalized which will further improve operational efficiency and controls, customer service and ensure launching of new electronic banking products.

Human resource development has always received special attention in the bank as the bank regards this as a critical success factor. Heavy emphasis is being placed on institutionalizing a merit culture through performance based rewards and career development. As part of its efforts for female empowerment, female managers were posted in branches through internal resources and hiring.

Moody's upgraded the bank's financial strength rating to D- from E+ reflecting the bank's improving financial condition as well as its important franchise and leading market share in Pakistan. JCR- VIS Credit Rating Co. Limited has also upgraded the bank's medium to long term standalone rating from AA to AA+ with a stable outlook and has re-affirmed the bank's entity rating of AAA/ A-1+.

Directors' Report

In recognition of NBP's excellent performance, the bank was awarded the prestigious "Bank of the year for Pakistan" by "The Banker" London in 2005. "Euromoney" magazine, a leading journal in its issue of March 2005 listed NBP amongst the top 100 banks in Asia, being the only Pakistani bank in the list. World's leading financial journal, "Global Finance" in an exclusive survey named NBP as the best Emerging Market Bank from Pakistan for the year 2005. The "Business Week" in its issue of July 2005 named your President as Stars of Asia being one of the twenty five leaders of Asia at the forefront of change. The bank was also awarded "Best Foreign Exchange Bank in Pakistan" award for the year 2005 by world's leading financial journal "Global Finance". NBP was also awarded "Kissan Times Award" for the year 2005 by the Prime Minister, Pakistan, for its services in the agriculture sector.

The earthquake of October 2005 caused widespread damage in the Northern parts of the country. The bank along with the whole nation rose to the occasion and wholeheartedly participated in relief efforts at this moment of natural calamity. The bank made a donation of Rs.107 million in President's Earthquake Relief Fund and other relief activities. Additionally the bank's employees also donated their one day basic pay in the fund. NBP Branches and offices badly damaged in earthquake were made functional within the shortest possible time.

NBP is also playing an active role for promoting sports in the country and sponsored many events during 2005.

Going forward, we expect the competition in the banking sector to increase causing spreads to shrink. The bank will continue to focus on its strategy of sustaining growth through quality and delivery of service as well as the range of product offering by leveraging large customer base and branch network.

Corporate and financial reporting framework (Code of Corporate Governance)

The board is fully aware of its responsibilities established by the Code of Corporate Governance issued by the Securities & Exchange Commission of Pakistan (SECP). The Directors are pleased to give the following declarations/statements to comply with the requirements of the Code.

(a) The financial statements (Balance Sheet, Profit & Loss Account, Cash Flow Statement, Statement of Changes in Equity and notes forming part thereof), prepared by the management of the bank give the information in the manner so required and respectively give a true and fair view of the state of the bank's affairs as at December 31, 2005 and of the results of its operations, changes in equity and its cash flows for the year then ended.

- (b) Proper books of accounts have been maintained.
- (c) Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on the reasonable and prudent judgment.
- (d) Approved Accounting Standards have been followed in preparation of the financial statements and departure there from, if any has been adequately disclosed.
- (e) The system of internal control is sound in design and has been effectively implemented and monitored throughout the year. The Board is responsible for establishing and maintaining the system of internal control in the bank and for its ongoing monitoring. However, such a system is designed to manage rather than eliminate the risk of failure to achieve objectives, and provide reasonable but not absolute assurance against material misstatements or loss.

The process used by the Board to review the efficiency and effectiveness of the system of internal control includes the following:

- The Board has formed various committees comprising of non-executive directors.
- Internal audit department of the bank conducts the audit of all branches, regions and groups at Head Office level on ongoing basis to evaluate the efficiency and effectiveness of internal control system and proper follow up of irregularities and control weaknesses is carried out.

The principal features of the bank's control framework include:

- The bank has clearly defined organizational structure, which supports clear lines of communications and reporting relationships.
- There exists properly defined financial and administrative powers of various committees and key management personnel, which supports delegations of authority and accountability.
- The bank has effective budgeting system in place. Annual budget of the bank is approved by the Board and monthly comparisons of actual results with the budget are prepared and reviewed by the senior management.

Directors' Report

The bank has a comprehensive framework of written policies and procedures on all major areas of operations such as Credit, Treasury Operations, Finance, Internal audit and Compliance approved by the Board.

- (f) There are no significant doubts about the bank's ability to continue as a going concern.
- (g) There has been no material departure from the best practices of the corporate governance as detailed in the listing regulations.
- (h) Key operating and financial data is available in the annual report.

During the year Mr. Azam Faruque joined the Board of Directors of your bank. We welcome him on the Board and are confident that the bank will benefit from his vast experience.

The number of board meeting held during the year was 11 and attended by the directors as follows:

Syed Ali Raza	10
Dr. Waqar Masood Khan	11
Mr. Iftikhar Ali Malik	6
Syed Shafqat Ali Shah Jamote	9
Mr. Sikandar Hayat Jamali	6
Mr. Muhammad Khalid Malik	9
Mr. M. Zubair Motiwala	8
Mr. Azam Faruque	3

- (j) Value of investments of Employees' Pension Fund and Employees Provident Fund as at December 31, 2005 (un-audited) was as follows:

	Rupees in '000
Employees Pension Fund	13,615,308
Employees Provident Fund	6,665,252

Pattern of Share holding

The pattern of share holding as at December 31, 2005 is annexed with the report.

Earning per share

After tax earning per share for the year 2005 is Rs.21.51.

Appointment of Auditors

The audit committee has suggested name of Messrs Ford Rhodes

Sidat Hyder & Co. Chartered Accountants and M. Yousuf Adil Saleem & Co. Chartered Accountants as statutory auditors for the year ending December 31, 2006 in place of retiring auditors Messrs Ford Rhodes Sidat Hyder. & Co. Chartered Accountants and KPMG Taseer Hadi & Co. Chartered Accountants. The Board of Directors on the recommendations of Audit Committee has also recommended name of Messrs Ford Rhodes Sidat Hyder. & Co. Chartered Accountants and M. Yousuf Adil Saleem & Co Chartered Accountants as statutory auditors for the year ending December 31, 2006. Both the firm being eligible offer themselves for appointment.

Risk Management Framework

NBP Board of Directors and senior management is fully committed to strengthen the Risk Management structure and practices in NBP. A number of initiatives taken and planned by



NBP, in this regard reflects management commitment to upgrade the quality of the risk management process, such as the formation of a Board level Risk Management Committee; initiation of Basel - II Gap Analysis Exercises; implementation of Risk Management Software for managing Credit Risk, continuous improvement in the Policies, Procedures and reporting for effective risk Management and shift from fixed mark-up rate structures to floating rates of mark-up for managing interest rate risk.

Directors' Report



Reporting of Internal Control System

Bank's Management has established and is managing an adequate and effective system of internal control which encompasses the policies, procedures, processes and tasks as approved by the Board of Directors that facilitate effective and efficient operations. The management and the employees at all levels within the Bank are required to perform as per these approved Internal Control System components. The Internal Control System ensures quality of external and internal reporting, maintenance of proper records and processes, compliance with applicable laws and regulations and internal policies with respect to conduct of business.

The management ensures that an efficient and effective Internal Control System is in place by identifying control objectives, reviewing existing procedures and policies and ensuring that control procedure and policies are amended from time to time wherever required.

However, Internal Control System is designed to manage rather than eliminate the risk of failure to achieve objectives, and provide reasonable but not absolute assurance against material misstatement or loss.

Evaluation of Internal Control

The Bank has an independent Internal Audit Group that conducts audit of all Branches, Regions and Groups at Head Office on an on-going basis to evaluate the efficiency and effectiveness of Internal Control System. In addition to that Compliance Group is also in place with independent Compliance Officer in 119 Branches and 29 Regional Compliance Chiefs with supporting staff to take care of compliance related issues to strengthen the control environment.

For the year 2005 the bank has made its best efforts to ensure that an effective Internal Control System continues to perform in letter and spirit. The observation made by the external and internal auditors are reviewed and measures are taken by the management to address the Internal Control.

We assess that the Internal Control environment is showing signs of improvement as compared to previous years in all areas of the bank. The bank is endeavoring to further refine its internal control design and assessment process as per guidelines issued by the State Bank of Pakistan. Accordingly, Bank is making all possible efforts to improve the professional skills and competency level of the staff through need based training programs.

Profit & Loss Appropriation

The Profit for the year 2005 after carry over of accumulated profit of 2004 is proposed to be appropriated as follows:

	Rupees in million
Net Profit before taxation for year 2005	19,056.028
Taxation	
-Current year	7,154.002
-Prior year(s)	(1,098.709)
-Deferred	291.291
	6,346.584
After Tax Profit	12,709.444
Profit Brought Forward	9,161.747
Transfer from surplus on revaluation of fixed assets	43.221
	21,914.412
Profit available for appropriation	
Transfer to Statutory Reserve (20% of after tax profit)	(2,541.889)
Reserve for Issue of Bonus Shares (20%) (subject to approval / clearance from SBP)	(1,181.785)
Proposed Dividend (Rs. 2.50 per share) (subject to approval / clearance from SBP)	(1,477.232)
	(5,200.906)
Profit carried forward	16,713.506

Finally we extend our appreciation to the bank's staff for their commitment, dedication and hard work in achieving these excellent results. We would like to express our appreciation to our stakeholders, regulators and our valued customers for their support and continued confidence in NBP.

On behalf of the Board of Directors

S. Ali Raza
Chairman & President
Date: March 18, 2006

Statement of Compliance with Code of Corporate Governance (for the year ended December 31, 2005)

This Statement is being presented to comply the Code of Corporate Governance (the Code) contained in the Regulation No. 37, XIII & 36 of Listing Regulations of Karachi, Lahore & Islamabad Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a Listed Company is managed in compliance with the best practices of Corporate Governance.

The Bank has complied with the principles contained in the Code in the following manner.

1. The Board of Directors of the Bank is appointed by the Government of Pakistan (GoP) as per the provisions of the Bank's (Nationalization) Act 1974. At present all the Directors (except for the President / Chief Executive who is also the Chairman of the Board) are independent non - executive Directors. However, matter of appointment of Directors representing Minority Shareholders as required by the Code already been recommended by the Board to the Ministry of Finance, Government of Pakistan for approval.
2. The Directors have confirmed that none of them is serving as a Director in more than ten listed companies including the Bank.
3. All the Directors of the Bank are registered as Tax Payers and none of them has defaulted in payment of any loan to a Banking Company, a DFI or an NBFIs or being a Member of Stock Exchange, has been declared as defaulter by that Stock Exchange.
4. No Casual vacancy on the Board occurred during the Year.
5. The Directors have confirmed that neither they nor their spouses are engaged in the business of stock brokerage.
6. The Bank has prepared 'Statement of Ethics and Business Practices' which is already approved by the Board of Directors.
7. The Board has approved the Vision, Mission, Core values, Objectives and NBP Strategic plan 2003-2006.
8. The bank has a comprehensive frame work of written policies and procedures on all major areas of Operations such as Credit, Treasury Operations, Finance, Internal audit and Compliance etc. While many of these policies have been approved by the Board and are being constantly reviewed.
9. There exists in the bank a framework defining the limits of the authority of various Management levels. All the powers were exercised by the relevant authorities within the materiality thresholds.
10. All the Powers of the Board have been duly exercised and decisions on material transactions have been taken by the Board.
11. The meetings of Board of Directors were presided over by the Chairman. Board met 11 times during the year. Written notices of the Board meetings, along with agenda and workingpapers, were circulated atleast seven days before the meetings. The minutes of the meetings were appropriately recorded.
12. The bank held orientation course for the directors in January 2005.
13. The appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment are duly approved by the Board.
14. The Directors' Report for the year has been prepared in compliance with the Code and fully describes the salient matters described in the Annual Report.
15. The Financial Statements of the Bank were duly endorsed by CEO and CFO before approval of the Board.
16. The Directors, CEO and Executives have confirmed that they do not hold any interest in the shares of the Bank except as mentioned in the report.
17. The Bank has complied with all the Corporate and Financial Reporting requirements of the Code.
18. The Board has formed an Audit Committee comprising of three Non Executive Directors.

Statement of Compliance with Code of Corporate Governance (for the year ended December 31, 2005)

19. The Meetings of Audit Committee were held 7 times including Meetings held prior to the Approval of Interim and Final Results as required by the Code. The Terms of reference of the Committee have been framed and advised to the Committee for Compliance.
20. The Board has setup an effective Internal Audit function. All the Branches, Regions and Groups are subject to audit. All the Internal Audit Reports are accessible to the Audit Committee and important points arising out of audit are reviewed by the Audit Committee and important points requiring Board's attention are brought into their notice.
21. The Statutory Auditors of the Bank have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan, that they or any of partners of the firms, their spouses and minor children do not hold Shares of the Bank and that the firms and all of their partners are in compliance with International Federation of Accountants (IFAC) on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan.
22. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the Auditors have confirmed that they have observed IFAC guidelines in this regard.
23. We confirm that all the other material principles contained in the Code have been complied.

On behalf of the Board of Directors

S. ALI RAZA
Chairman & President
Date: March 18, 2006

Auditors' Review Report to the Members

Auditors' Review Report to the Members on Statement of Compliance with best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices (the Statement) contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of National Bank of Pakistan (the bank) to comply with the Regulation G-1 of the Prudential Regulations for Corporate / Commercial Banking issued by the State Bank of Pakistan, Listing Regulation No. 37 of the Karachi Stock Exchange, Chapter XIII of the Lahore Stock Exchange and Chapter XI of the Islamabad Stock Exchange where the Bank is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Bank. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Bank's compliance with the provisions of the Code and report if it does not. A review is limited primarily to inquiries of the Bank personnel and review of various documents prepared by the Bank to comply with the Code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Bank's compliance, in all material respects, with the best practices contained in the Code as applicable to the Bank for the year ended December 31, 2005.

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Karachi

Date: March 18, 2006

Auditors' Report to the Members

We have audited the annexed balance sheet of National Bank of Pakistan (the bank) as at December 31,2005 and the related profit and loss account, statement of changes in equity and cash flow statement, together with the notes forming part thereof (here-in-after referred to as the 'financial statements') for the year then ended, in which are incorporated the unaudited certified returns from the branches except for sixty branches which have been audited by us and sixteen branches audited by auditors abroad and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the bank's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with approved accounting standards and the requirements of the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and after due verification, which in case of loans and advances covered more than 60% of the total loans and advances of the bank, we report that:

- a) in our opinion proper books of account have been kept by the bank as required by the Companies Ordinance, 1984 (XLVII of 1984), and the returns referred to above received from the branches have been found adequate for the purposes of our audit;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together

with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984), and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes stated in note 5.1 with which we concur;

- ii) the expenditure incurred during the year was for the purpose of the bank's business; and
- iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the bank and the transactions of the bank which have come to our notice have been within the powers of the bank;
- c) in our opinion and to the best of our information and according to the explanations given to us the balance sheet, profit and loss account, statement of changes in equity and cash flow statement together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan and give the information required by the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984), in the manner so required and give a true and fair view of the state of the bank's affairs as at December 31, 2005 and its true balance of the profit, changes in equity and its cash flows for the year then ended;
- d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Karachi

Date: March 18, 2006



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Balance Sheet (as at December 31, 2005)

2004	2005		Note	2005	2004 (Restated)
US Dollars in '000				Rupees in '000	
ASSETS					
1,579,479	1,190,664	Cash and balances with treasury banks	6	71,196,956	94,446,552
832,579	518,753	Balances with other banks	7	31,019,330	49,784,884
175,786	272,308	Lendings to financial institutions	8	16,282,942	10,511,322
2,497,660	2,625,354	Investments	9	156,985,686	149,350,096
3,692,456	4,495,932	Advances	10	268,838,779	220,794,075
320,115	400,379	Other assets	11	23,941,056	19,141,569
153,906	158,110	Operating fixed assets	12	9,454,365	9,202,969
-	-	Deferred tax assets	13	-	-
9,251,981	9,661,500			577,719,114	553,231,467
LIABILITIES					
120,655	29,118	Bills payable	14	1,741,156	7,214,671
185,377	146,445	Borrowings from financial institutions	15	8,756,847	11,084,790
7,786,001	7,750,127	Deposits and other accounts	16	463,426,602	465,571,717
-	-	Sub-ordinated loans		-	-
285	278	Liabilities against assets subject to finance lease	17	16,629	17,058
385,784	417,661	Other liabilities	18	24,974,450	23,068,314
488	74,632	Deferred tax liabilities	13	4,462,718	29,185
8,478,590	8,418,261			503,378,402	506,985,735
773,391	1,243,239			74,340,712	46,245,732
NET ASSETS					
REPRESENTED BY					
82,348	98,818	Share capital	19	5,908,927	4,924,106
180,847	226,370	Reserves		13,536,041	10,813,914
153,216	279,510	Unappropriated profit		16,713,506	9,161,747
416,411	604,698			36,158,474	24,899,767
356,980	638,541	Surplus on revaluation of assets	20	38,182,238	21,345,965
773,391	1,243,239			74,340,712	46,245,732
		Contingencies and commitments	21		

The annexed notes 1 to 44 form an integral part of these financial statements.

Syed Ali Raza
Chairman & President

Dr. Waqar Masood Khan
Director

Syed Shafqat Ali Shah Jamote
Director

M. Zubair Motiwala
Director

Profit and Loss Account (for the year ended December 31, 2005)

2004	2005		Note	2005	2004 (Restated)
US Dollars in '000				Rupees in '000	
350,313	562,475	Mark-up/return/interest earned	22	33,633,735	20,947,333
109,696	172,616	Mark-up/return/interest expensed	23	10,321,768	6,559,398
240,617	389,859	Net mark-up/interest income		23,311,967	14,387,935
25,342	40,918	Provision against non-performing advances	10.3	2,446,739	1,515,354
3,106	(4,112)	Provision for diminution in the value of investments	9.12	(245,881)	185,707
239	-	Provision against off balance sheet obligations	18.1	-	14,297
549	386	Bad debts written off directly	10.4.1	23,069	32,807
29,236	37,192			2,223,927	1,748,165
211,381	352,667	Net mark-up/interest income after provisions		21,088,040	12,639,770
		NON MARK-UP/INTEREST INCOME			
85,277	82,390	Fee, commission and brokerage income		4,926,604	5,099,195
21,303	28,739	Dividend income		1,718,478	1,273,863
16,874	20,163	Income from dealing in foreign currencies	24	1,205,638	1,008,988
14,635	26,321	Other income	25	1,573,905	875,113
138,089	157,613	Total non mark-up/interest income		9,424,625	8,257,159
349,470	510,280			30,512,665	20,896,929
		NON MARK-UP/INTEREST EXPENSES			
148,485	187,222	Administrative expenses	26	11,195,133	8,878,801
539	3,316	Other provisions/write offs		198,298	32,243
139	1,057	Other charges	27	63,206	8,284
149,163	191,595	Total non mark-up/interest expenses		11,456,637	8,919,328
200,307	318,685			19,056,028	11,977,601
200,307	318,685	Extra ordinary items			
		Profit before tax		19,056,028	11,977,601
82,781	119,640	Taxation - Current		7,154,002	4,950,000
14,181	(18,374)	- Prior year(s)		(1,098,709)	847,958
(263)	4,871	- Deferred		291,291	(15,729)
96,699	106,137		28	6,346,584	5,782,229
103,608	212,548	Profit after tax		12,709,444	6,195,372
98,550	153,217	Unappropriated profit brought forward		9,161,747	5,892,902
761	723	Transfer from surplus on revaluation of fixed assets	12.5	43,221	45,496
99,311	153,940			9,204,968	5,938,398
202,919	366,488	Profit available for appropriation		21,914,412	12,133,770
		Appropriations			
(20,881)	(42,509)	Transfer to:			
-	-	Statutory reserve		(2,541,889)	(1,248,586)
-	-	Capital reserve		-	-
(16,470)	(19,764)	Revenue reserve		-	-
(12,352)	(24,705)	Reserve for issue of bonus shares 20% (2004: 20%)		(1,181,785)	(984,821)
(49,703)	(86,978)	Proposed cash dividend Rs. 2.50 per share (2004: Rs.1.50 per share)		(1,477,232)	(738,616)
153,216	279,510			(5,200,906)	(2,972,023)
0.18	0.36	Unappropriated profit carried forward		16,713,506	9,161,747
		Basic/diluted earnings per share (Rupees)	29	21.51	10.48

The annexed notes 1 to 44 form an integral part of these financial statements.

Syed Ali Raza
Chairman & President

Dr. Waqar Masood Khan
Director

Syed Shafqat Ali Shah Jamote
Director

M. Zubair Motiwala
Director

Cash Flow Statement (for the year ended December 31, 2005)

2004	2005		2005	2004 (Restated)
US Dollars in '000		Note	Rupees in '000	
		CASH FLOW FROM OPERATING ACTIVITIES		
200,307	318,684	Profit before taxation	19,056,028	11,977,601
21,303	28,739	Less: Dividend income	1,718,478	1,273,863
179,004	289,945		17,337,550	10,703,738
		Adjustments for non-cash charges		
7,263	9,490	Depreciation	567,438	434,273
25,342	48,918	Provision against non-performing advances	2,446,739	1,515,354
3,106	(4,112)	Provision for diminution in the value of investments	(245,881)	185,707
239	-	Provision against off balance sheet obligations	-	14,297
549	386	Bad debts written off directly	23,069	32,807
(6,179)	(479)	(Reversal) for voluntary handshake scheme	(28,635)	(369,475)
(30)	(300)	(Gain) on sale of fixed assets	(17,922)	(1,806)
76	37	Financial charges on leased assets	2,216	4,549
539	3,316	Other provisions	198,298	32,243
30,905	49,256		2,945,322	1,847,949
209,909	339,201		20,282,872	12,551,687
		(Increase)/decrease in operating assets		
324,880	(96,522)	Lendings to financial institutions	(5,771,620)	19,426,535
(4,101)	4,667	Held-for-trading securities	279,072	(245,231)
(1,021,414)	(844,781)	Advances	(50,514,512)	(61,076,476)
(50,283)	(50,733)	Other assets	(3,033,624)	(3,006,702)
(750,918)	(987,369)		(59,040,684)	(44,901,874)
		Increase/(decrease) in operating liabilities		
28,730	(91,536)	Bills payable	(5,473,515)	1,717,933
(93,679)	(28,845)	Borrowings from financial institutions	(1,724,818)	(5,601,619)
1,171,974	(35,874)	Deposits	(2,145,115)	70,079,386
(6,773)	19,516	Other liabilities	1,166,962	(404,977)
1,100,252	(136,739)		(8,176,486)	65,790,723
		Income tax paid	8,019,454	(2,906,037)
(48,599)	(134,114)	Voluntary handshake scheme cost received	27,106	362,605
6,064	453	Financial charges paid	(2,216)	(4,549)
(76)	(37)		(7,994,564)	(2,547,981)
(42,611)	(133,698)		(7,994,564)	(2,547,981)
516,632	(918,605)	Net cash (used) in/ flows from operating activities	(54,928,862)	30,892,555
		CASH FLOW FROM INVESTING ACTIVITIES		
654,255	103,512	Net investments in available-for-sale securities	6,189,586	39,121,839
(161,676)	120,294	Net investments in held-to-maturity securities	7,193,074	(9,667,572)
21,303	28,739	Dividend received	1,718,478	1,273,863
(11,669)	(13,453)	Investment in operating fixed assets	(804,423)	(697,759)
98	(497)	Investment in subsidiaries, associates and joint venture	(29,705)	5,837
68	399	Sale proceeds of property and equipment disposed off	23,861	4,080
502,379	238,994		14,290,871	30,040,288
502,379	238,994	Net cash flows from investing activities	14,290,871	30,040,288
		CASH FLOW FROM FINANCING ACTIVITIES		
(8,565)	(12,317)	Dividend paid	(736,529)	(512,149)
(402)	(347)	Payments of lease obligations	(20,779)	(24,059)
(8,967)	(12,664)	Net cash (used) in financing activities	(757,308)	(536,208)
2,400	(280)	Effects of exchange rate changes on cash and cash equivalents	(16,726)	143,493
1,012,444	(692,555)	(Decrease)/ Increase in cash and cash equivalents	(41,412,025)	60,540,128
1,378,946	2,391,390	Cash and cash equivalents at beginning of the year	142,995,560	82,455,432
2,391,390	1,698,835	Cash and cash equivalents at end of the year	101,583,535	142,995,560

The annexed notes 1 to 44 form an integral part of these financial statements.

Syed Ali Raza
Chairman & President

Dr. Waqar Masood Khan
Director

Syed Shafqat Ali Shah Jamote
Director

M. Zubair Motiwala
Director

Statement of changes in Equity (for the year ended December 31, 2005)

	Share capital	Reserves			Unappropriated profit	Total	
		Exchange equalisation	Issue of bonus shares	Statutory reserve			General reserve
(Rupees in '000)							
Balance as at January 1, 2004 as previously reported	4,103,422	2,300,903	820,684	4,490,387	521,338	5,897,163	18,133,897
Effect of change in accounting policy (refer to note - 5.1)	-	(131,760)	-	-	-	(4,261)	(136,021)
Balance as at January 1, 2004 (restated)	4,103,422	2,169,143	820,684	4,490,387	521,338	5,892,902	17,997,876
Exchange adjustments on revaluation of capital of foreign branches	-	769,630	-	-	-	-	769,630
Reversal of exchange adjustment of UNBL	-	(173,939)	-	-	-	-	(173,939)
Reversal in respect of investment outside Pakistan	-	(435,000)	-	-	-	-	(435,000)
Deferred tax liability reversed on exchange equalization reserve account	-	1,238,948	-	-	-	-	1,238,948
Transfer from surplus on revaluation of fixed assets-incremental depreciation - net of tax	-	-	-	-	-	45,496	45,496
Net income recognised directly in equity	-	1,399,639	-	-	-	45,496	1,445,135
Profit after taxation for the year ended December 31, 2004	-	-	-	-	-	6,242,929	6,242,929
Reversal of share of profit of UNBL	-	-	-	-	-	(47,557)	(47,557)
Total recognised income and expense for the period	-	1,399,639	-	-	-	6,240,868	7,640,507
Issue of bonus shares	820,684	-	(820,684)	-	-	-	-
Transfer to statutory reserve	-	-	-	1,248,586	-	(1,248,586)	-
Transfer to reserve for issue of bonus shares	-	-	984,821	-	-	(984,821)	-
Proposed cash dividend	-	-	-	-	-	(738,616)	(738,616)
Balance as at December 31, 2004 (restated)	4,924,106	3,568,782	984,821	5,738,973	521,338	9,161,747	24,899,767
Balance as at January 1, 2005 as previously reported	4,924,106	3,874,481	984,821	5,738,973	521,338	9,213,565	25,257,284
Effect of change in accounting policy (refer to note -5.1)	-	(305,699)	-	-	-	(51,818)	(357,517)
Balance as at January 1, 2005 (restated)	4,924,106	3,568,782	984,821	5,738,973	521,338	9,161,747	24,899,767
Exchange adjustments on revaluation of capital of foreign branches	-	(16,726)	-	-	-	-	(16,726)
Transfer from surplus on revaluation of fixed assets-incremental depreciation - net of tax	-	-	-	-	-	43,221	43,221
Net income recognised directly in equity	-	(16,726)	-	-	-	43,221	26,495
Profit after taxation for the year ended December 31, 2005	-	-	-	-	-	12,709,444	12,709,444
Total recognised income and expense for the period	-	(16,726)	-	-	-	12,752,665	12,735,939
Issue of bonus shares	984,821	-	(984,821)	-	-	-	-
Transfer to statutory reserve	-	-	-	2,541,889	-	(2,541,889)	-
Transfer to reserve for issue of bonus shares	-	-	1,181,785	-	-	(1,181,785)	-
Proposed cash dividend	-	-	-	-	-	(1,477,232)	(1,477,232)
Balance as at December 31, 2005	5,908,927	3,552,056	1,181,785	8,280,862	521,338	16,713,506	36,158,474

The annexed notes 1 to 44 form an integral part of these financial statements.

Syed Ali Raza
Chairman & President

Dr. Waqar Masood Khan
Director

Syed Shafqat Ali Shah Jamote
Director

M. Zubair Motiwala
Director

Notes to the Financial Statements - 2005

1. STATUS AND NATURE OF BUSINESS

National Bank of Pakistan (the bank) was established under the National Bank of Pakistan Ordinance, 1949 and is listed on all the stock exchanges in Pakistan. Its registered and head office is situated at I.I. Chundrigar Road, Karachi. The bank is engaged in providing commercial banking and related services in Pakistan and overseas. The bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The bank operates 1,224 (2004: 1,208) branches in Pakistan and 18 (2004: 18) overseas branches (including the Export Processing Zone branch, Karachi). Under a Trust Deed, the bank also provides services as trustee to National Investment Trust (NIT) including safe custody of securities on behalf of NIT.

2. BASIS OF PRESENTATION

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

Separate financial statements

These financial statements are separate financial statements of the Bank in which the investments are accounted for on the basis of direct equity interest rather than on the basis of reported results and net assets of the investees. The Securities and Exchange Commission of Pakistan (SECP) has granted an exemption to the bank under sub-section (8) of section 237 of the Companies Ordinance, 1984 from the application of sub sections (1) to sub-section (7) of section 237 of the Companies Ordinance, 1984 in respect of preparation of consolidated financial statements vide its letter No. EMD/ 233/627/2002 - 270 dated July 8, 2005 for the financial statements for the year ended December 31, 2005.

US Dollar equivalent

The US Dollar amounts shown on the balance sheet, profit and loss account and cash flow statement are stated as additional information solely for the convenience of readers. For the purpose of conversion to US Dollars, the rate of Rs.59.80 to one US Dollar has been used for both 2005 and 2004 as it was the prevalent rate as on December 31, 2005.

3. STATEMENT OF COMPLIANCE

These financial statements are prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984 and the Banking Companies Ordinance, 1962. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP) differ with requirements of these standards the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or the requirements of the said directives take precedence.

The SECP has approved the adoption of International Accounting Standard 39, "Financial Instruments:" "Recognition and Measurement" and International Accounting Standard 40, "Investment Property". The requirements of these standards have not been taken into account for the purpose of these financial statements as the implementation of the said standards has been deferred by SBP, vide BSD circular number 10 dated August 26, 2002, for banks in Pakistan till further instructions. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.

4. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention as modified by revaluation of land and buildings and valuation of certain investments and derivative financial instruments at fair value.

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 4.1.

Notes to the Financial Statements - 2005

4.1 Accounting estimates and judgments

(a) Provision against non performing loans and advances

The Bank reviews its loan portfolio to assess amount of non performing loans and advances and provision required there against on a quarterly basis. While assessing this requirement various factors including the delinquency in the account, financial position of the borrower, the forced sale value of securities and requirements of prudential regulations are considered. The estimates of forced sale values are supported by independent valuations of the assets mortgaged / pledged.

The bank's portfolio of branches affected by the recent earthquake aggregates to approximately Rs. 2 billion. The management based on a review of this portfolio and the security there against has made a general provision of Rs. 450 million. The amount of provision may require adjustment in case borrowers do not perform according to expectations.

The changes in prudential regulations in 2005 require provision against sub standard debts to be enhanced to 25% of the outstanding amount from 10% currently required. The provision against debts classified as substandard would increase by Rs.67.484 million if the borrowers performance does not improve in the next year.

The amount of general provision against consumer advances is determined in accordance with the relevant prudential regulations as explained in note 10.2 . The data about historical experience is being accumulated.

(b) Fair value of derivatives

The fair value of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant interest rates in effect at the balance sheet date and the rates contracted.

(c) Impairment of available-for-sale equity investments

The Bank determines that available-for-sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Bank evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

(d) Held-to-maturity investments

The Bank follows the guidance provided in State Bank of Pakistan's circulars on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. In making this judgment, the Bank evaluates its intention and ability to hold such investments to maturity.

(e) Income taxes

In making the estimates for income taxes currently payable by the Bank, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past. There are various matters where bank's view differs with the view taken by the income tax department and such amounts are shown as contingent liability.

(f) Provident fund

As explained in note 21.4.3, various employees have disputed the issue of interest and date of payment of provident fund balances. Any decision by the court on the pending application may result in claim of excess funds lying in Provident Fund account or additional liability to members in accordance with the decision of the court on interpretation of its earlier decision.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Change in accounting policy

During the year, the bank has changed its accounting policy in respect of accounting for investment in joint venture company. Previously the investment was accounted for under the equity method which is now stated at cost as required by the revised IAS 31 "Investment in Joint Venture" and IAS 27 "Consolidated and Separate Financial Statements" effective for financial periods beginning on or after January 1, 2005.

Had there been no change, profit for the year would have been higher by Rs.92.058 million while investments and exchange equalization reserve as at December 31, 2005 would have been lower by Rs.79.039 million and Rs.171.097 million respectively. This change in accounting policy has been accounted for retrospectively in accordance with IAS - 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

In addition as allowed by SBP, the accounting policy for valuation of investment in Bank Al-Jazira has been changed as described in note 9.8. Previously the investment was recorded at lower of (Rupee) cost or market value at rates quoted on the Saudi Stock Exchange.

Had there been no change, investments and Surplus on revaluation of investments as at December 31, 2005 would have been lower by Rs.21,647 million and Rs.15,965 million respectively (2004: Rs.4,972 million and Rs.3,667 million respectively) and deferred tax liabilities would have been lower by Rs.5,682 million (2004: Rs.1,305 million) . This change in accounting policy has been accounted for retrospectively in accordance with IAS - 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Notes to the Financial Statements - 2005

5.2 Cash and cash equivalents

Cash and cash equivalents include cash and balances with treasury banks and balances with other banks in current and deposit accounts less overdrawn nostro accounts.

5.3 Investments

All investments acquired by the bank are initially recognized at cost, being the fair value of consideration given including acquisition cost.

The bank has classified its investment portfolio, except for investments in subsidiaries, associates and joint ventures, into 'held-for-trading', 'held-to-maturity' and 'available-for-sale' portfolios as follows:

- Held-for-trading – These are securities which are acquired with the intention to trade by taking advantage of short-term market/interest rate movements and are to be sold within 90 days. These are carried at market value, with the related surplus/(deficit) being taken to profit and loss account.
- Held-to-maturity – These are securities with fixed or determinable payments and fixed maturity that are held with the intention and ability to hold to maturity. These are carried at amortised cost.
- Available-for-sale – These are investments that do not fall under the held-for-trading or held-to-maturity categories. These are carried at market value with the surplus/(deficit) taken to 'surplus/(deficit) on revaluation of assets' account below equity, except that available-for-sale investments in unquoted shares, debentures, bonds, participation term certificates, term finance certificates, federal, provincial and foreign government securities (except for Treasury Bills, Federal Investment Bonds and Pakistan Investment Bonds) are stated at cost less provision for impairment, if any. Provision in respect of unquoted shares is calculated with reference to break-up value. Provision for unquoted debt securities is calculated with reference to the time-based criteria as per the SBP's Prudential Regulations.

On derecognition or impairment in quoted available-for-sale investments the cumulative gain or loss previously reported as "surplus/(deficit) on revaluation of assets" below equity is included in the profit and loss account for the period.

Held-for-trading and quoted available-for-sale securities are marked to market with reference to ready quotes on Reuters page (PKRV) or the Stock Exchanges.

Premium or discount on debt securities classified as available-for-sale and held-to-maturity securities is amortised using the effective interest method and taken to interest income.

Investments in subsidiaries, associates and joint ventures are stated at cost. Provision is made for any impairment in value.

Gains and losses on disposal of investments are dealt with through the profit and loss account in the year in which they arise.

The carrying values of investments are reviewed for impairment at each balance sheet date. Where any such indications exist that the carrying values exceed the estimated recoverable amounts, provision for impairment is made through the profit and loss account

5.4 Repurchase and resale agreements

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the balance sheet and are measured in accordance with accounting policies for investment securities. The counterparty liability for amounts received under these agreements is included in borrowings from financial institutions. The difference between sale and repurchase price is treated as mark-up/return/interest expense and accrued over the life of the repo agreement using effective yield method.

Assets purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the balance sheet, as the bank does not obtain control over the assets. Amounts paid under these agreements are included in lendings to financial institutions. The difference between purchase and resale price is treated as mark-up/return/interest income and accrued over the life of the reverse repo agreement using effective yield method.

5.5 Derivative financial instruments

Derivative financial instruments include forward foreign exchange contracts, equity futures and interest rate swaps. These are initially recognized at fair value and subsequently remeasured at fair value. Fair value is calculated by reference to quoted market price. In the event of non-availability of market prices, discounted cash flow model is used to determine the fair value. Any change in the fair value of derivative instruments is taken to the profit and loss account.

Notes to the Financial Statements - 2005

5.6 Trade date accounting

All regular way purchases/sales of investment are recognised on the trade date, i.e., the date the bank commits to purchase/sell the investments. Regular way purchases or sales of investment require delivery of securities within three days after the transaction date as required by stock exchange regulations.

5.7 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the bank becomes a party to the contractual provisions of the instrument. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

5.8 Advances

Advances are stated net of provisions for non-performing advances. Provision is made in accordance with the requirements of Prudential Regulations issued by SBP and charged to the profit and loss account. Provision in respect of overseas branches are made in accordance with the respective central bank's requirements. Advances are written off where there are no realistic prospects of recovery.

In respect of advances of former Mehran Bank Limited (MBL) amalgamated with the bank, the provision is calculated in line with the guiding principles of the amalgamation deed (the Deed), whereby the bank shall not suffer any loss as a direct consequence of amalgamation. Considering the guideline of the Deed, the funded credits are provided on the basis of security shortfall and the provision is made against unfunded credits to the extent of subsequent cash payments made against them on the basis of shortfall in the value of security.

5.9 Operating fixed assets and depreciation

Owned assets

Fixed assets except land and buildings are stated at cost less accumulated depreciation and impairment losses, if any. Land is stated at revalued amount. Buildings are stated at revalued amount less accumulated depreciation. Depreciation is charged to income applying the diminishing balance method except vehicles, computers and furnishing limit to executives, which are depreciated on straight-line method at the rates stated in note 12.2. During the year the bank has changed its accounting estimate for charging depreciation. Previously full depreciation was charged on all additions made prior to June 30 while no depreciation was charged on additions made after June 30 and on assets deleted during the year. Depreciation is now charged from the month in which the assets are brought into use and no depreciation is charged from the month the assets are deleted.

Had there been no change, the book value of operating fixed assets and profit before tax would have been higher by Rs.31.534 million.

Maintenance and normal repairs are charged to the profit and loss account as and when incurred. However, major additions and renewals are capitalized.

Gains and losses on disposal of fixed assets are included in income currently.

Land and buildings' valuation are carried out by professionally qualified valuers with sufficient regularity to ensure that their carrying amount does not differ materially from their fair value.

Surplus on revaluation of fixed assets to the extent of incremental depreciation charged to the related assets is transferred to retained earnings (net of deferred tax).

Leased assets

Assets subject to finance lease are accounted for by recording the assets and the related liability. These are recorded at lower of fair value and the present value of minimum lease payments at the inception of lease and subsequently stated net of accumulated depreciation. Depreciation is charged on the basis similar to the owned assets. Financial charges are allocated over the period of lease term so as to provide a constant periodic rate of financial charge on the outstanding liability.

Capital work in progress

Capital work in progress is stated at cost.

5.10 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into consideration tax credits available, if any.

Notes to the Financial Statements - 2005

Deferred

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are not recognised in respect of taxable temporary differences associated with interests in joint ventures and branches, where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and any unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax relating to the items recognized directly in equity are recognized in equity and not in the profit and loss account.

5.11 Employee benefits

Pension scheme

The bank operates defined benefit approved funded pension scheme for its eligible employees. The bank's costs are determined based on actuarial valuation carried out using Projected Unit Credit Method. Net cumulative un-recognized actuarial gains/losses relating to previous reporting period in excess of the higher of 10% of present value of defined benefit obligation or 10% of the fair value of plan assets are recognized as income or expense over the estimated working lives of the employees. Where the fair value of plan assets exceeds the present value of defined benefit obligation together with unrecognized actuarial gains or losses and unrecognized past service cost, the bank reduces the resulting asset to an amount equal to the total of present value of any economic benefit in the form of reduction in future contributions to the plan and unrecognized actuarial losses and past service costs.

Employees' compensated absences

The bank accounts for all accumulating compensated absences when employees render service that increases their entitlement to future compensated absences. The liability is determined based on actuarial valuation carried out using the Projected Unit Credit Method.

Post retirement medical benefits

The bank operates an un-funded defined benefit-post retirement medical benefits scheme for all of its employees. Provision is made in the financial statements for the benefit based on actuarial valuation carried out using the Projected Unit Credit Method. Actuarial gains/losses are accounted for in a manner similar to the pension scheme.

Benevolent scheme

The bank also operates an un-funded defined benefit benevolent scheme for its eligible employees. Provision is made in the financial statements based on the actuarial valuation using the Projected Unit Credit Method. Actuarial gains/losses are recognized in the period in which they arise.

5.12 Revenue recognition

Mark-up/return/interest on advances and return on investments are recognized on time proportion basis except in case of advances classified under the Prudential Regulations on which mark-up is recognized on receipt basis.

Interest/mark-up on rescheduled/restructured advances and investments is recognized in accordance with the Prudential Regulations of SBP.

Fee, commission and brokerage income and remuneration for trustee services is recognized at the time of performance of services.

Dividend income on equity investments is recognized when right to receive is established. Dividend received on equity investments acquired after the announcement of dividend till the book closure date are not taken to income but reflected as reduction in the cost of investment.

Notes to the Financial Statements - 2005

5.13 Foreign currencies translation

Foreign currency transactions are converted into Rupees applying the exchange rate at the date of the respective transactions. Monetary assets and liabilities in foreign currencies including assets/liabilities of foreign branches are translated into Rupees at the rates of exchange prevailing at the balance sheet date. Forward exchange contracts are valued at rates applicable to their respective maturities.

Profit and loss account balances of foreign branches are translated at average exchange rate prevailing during the year. Gains and losses on translation are included in the profit and loss account except net gain arising on translation of net investment in foreign branches, which is credited to an exchange equalization reserve reflected under reserves.

5.14 Provision for off balance sheet obligations

Provision for guarantees, claims and other off balance sheet obligations is made when the bank has legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of amount can be made. Charge to profit and loss account is stated net of expected recoveries.

5.15 Off setting

Financial assets and financial liabilities are only set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the bank intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

5.16 Related party transactions

Transactions between the bank and its related parties other than staff loans and deposits of provident fund are carried out on an arm's length basis at prices determined under "Comparable Uncontrolled Price Method". Mark-up on advances to the employees is charged at reduced rates in accordance with the terms of employment and mark-up on deposits by Employees' Provident Fund is paid at the rate equivalent to rates paid by GoP on its Employees General Provident Fund.

5.17 Fiduciary assets

Assets held in a fiduciary capacity are not treated as assets of the bank in the balance sheet.

		2005	2004
6. CASH AND BALANCES WITH TREASURY BANKS	<i>Note</i>	Rupees in '000	
In hand			
Local currency		5,001,742	8,889,176
Foreign currency		1,399,704	1,082,798
		6,401,446	9,971,974
With State Bank of Pakistan in			
Local currency current account	6.1	23,811,220	30,669,962
Local currency deposit account		29	29
		23,811,249	30,669,991
Foreign currency current account	6.2	1,358,494	1,189,600
Foreign currency deposits account	6.2	4,075,481	3,588,061
Foreign currency collection account		1,432,952	268,875
Foreign currency placement account	6.3	29,898,000	29,730,650
		36,764,927	34,777,186
With other central banks in			
Foreign currency current accounts	6.4	3,359,859	18,056,749
Foreign currency deposits accounts	6.5	859,475	970,652
		4,219,334	19,027,401
		71,196,956	94,446,552

Notes to the Financial Statements - 2005

- 6.1 This includes statutory liquidity reserves maintained with the SBP under Section 22 of the Banking Companies Ordinance, 1962.
- 6.2 These represent mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the State Bank of Pakistan.
- 6.3 This represents US Dollar placements and carry interest rate at 5.31% to 6.53% (2004: Libor + 1%) and mature within six months.
- 6.4 These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and central bank regulatory requirements.
- 6.5 These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and central bank regulatory requirements. These carry mark-up at the rate of 3.63% (2004: 0.6% to 5%).

	<i>Note</i>	2005	2004
Rupees in '000			
7. BALANCES WITH OTHER BANKS			
In Pakistan			
On deposit account		1,600	1,600
Outside Pakistan			
On current accounts		2,950,407	2,372,495
On deposit accounts	7.1	28,067,323	47,410,789
		31,017,730	49,783,284
		31,019,330	49,784,884

- 7.1 These include various deposits with correspondent banks and carry mark-up rates ranging from 0.005% to 7% per annum (2004: 0.005% to 7% per annum).

8. LENDINGS TO FINANCIAL INSTITUTIONS

Call money lendings	8.1	6,204,000	2,004,000
Repurchase agreement lendings (Reverse Repo)	8.2 & 8.3	10,078,942	8,507,322
		16,282,942	10,511,322

- 8.1 These carry mark-up at rates ranging from 7.75% to 9.75% per annum (2004: 4.1% to 5.75% per annum).

- 8.2 These carry mark-up at rates ranging from 7.0% to 8.65% per annum (2004: 2.0% to 4.9% per annum).

8.2.1 Securities held as collateral against lendings to financial institutions

	2005			2004		
	Held By Bank	Further given as collateral	Total	Held By Bank	Further given as collateral	Total
	..... Rupees in '000 .....			..... Rupees in '000		
Market Treasury Bills	6,753,942	-	6,753,942	5,767,322	-	5,767,322
Pakistan Investment Bonds	3,325,000	-	3,325,000	2,740,000	-	2,740,000
	10,078,942	-	10,078,942	8,507,322	-	8,507,322

- 8.3 Market value of the securities under repurchase agreement lendings amount to Rs. 10,276 million (2004: Rs. 8,625 million).

Notes to the Financial Statements - 2005

9. INVESTMENTS

	2005			2004		
	Held by bank.....Rupees in '000.....	Given as collateral	Total	Held by bank.....Rupees in '000.....	Given as collateral	Total
9.1 Investment by type:						
Held-for-trading securities						
Ordinary shares of listed companies	181,596	-	181,596	460,668	-	460,668
Available- for- sale securities						
Ordinary shares of listed companies	3,590,217	-	3,590,217	3,677,487	-	3,677,487
Ordinary shares of unlisted companies	433,864	-	433,864	477,324	-	477,324
Less: Provision for diminution in value of investments	179,853	-	179,853	227,112	-	227,112
	254,011	-	254,011	250,212	-	250,212
Market Treasury Bills	54,279,127	2,845,789	57,124,916	51,967,129	3,727,527	55,694,656
Preference shares	424,200	-	424,200	460,025	-	460,025
Less: Provision for diminution in value of investments	-	-	-	142,025	-	142,025
	424,200	-	424,200	318,000	-	318,000
Pakistan Investment Bonds	7,556,460	-	7,556,460	14,921,381	76,483	14,997,864
Federal Investment Bonds	1,319,992	-	1,319,992	2,467,884	1,253,564	3,721,448
Term Finance Certificates	6,548,910	-	6,548,910	5,193,078	-	5,193,078
Investments in mutual funds	974,469	-	974,469	934,504	-	934,504
Investment outside Pakistan	22,110,611	-	22,110,611	5,435,236	-	5,435,236
National Investment Trust Units	19,092,549	-	19,092,549	13,752,415	-	13,752,415
-						
Total Available- for- sale securities	116,150,546	2,845,789	118,996,335	98,917,326	5,057,574	103,974,900
Held-to-maturity securities						
Government Compensation Bonds	2,477,200	-	2,477,200	2,549,817	-	2,549,817
Provincial Government Securities	36,513	-	36,513	36,513	-	36,513
Pakistan Investment Bonds	11,997,747	-	11,997,747	12,143,498	-	12,143,498
GoP Foreign Currency Bonds	9,457,014	-	9,457,014	8,233,567	-	8,233,567
Foreign Government Securities	5,981,940	-	5,981,940	5,160,570	-	5,160,570
Debentures, Bonds, Participation Term Certificates and Term Finance Certificates (note 9.7)	6,000,021	-	6,000,021	15,055,906	-	15,055,906
Less: Provision for diminution in value of investments	1,324,465	-	1,324,465	1,411,802	-	1,411,802
	4,675,556	-	4,675,556	13,644,104	-	13,644,104
Certificates of investment	-	-	-	2,050	-	2,050
Less: Provision for diminution in value of investments	-	-	-	2,050	-	2,050
	-	-	-	-	-	-
Total held-to-maturity securities (note 9.3)	34,625,970	-	34,625,970	41,768,069	-	41,768,069
Investments in associates	1,014,869	-	1,014,869	1,015,472	-	1,015,472
Less: Provision for diminution in value of investments	457,440	-	457,440	458,043	-	458,043
	557,429	-	557,429	557,429	-	557,429
Investments in joint ventures	1,274,835	-	1,274,835	1,244,835	-	1,244,835
Investments in subsidiaries	1,352,766	-	1,352,766	1,352,458	-	1,352,458
Less: Provision for diminution in value of investments	3,245	-	3,245	8,263	-	8,263
	1,349,521	-	1,349,521	1,344,195	-	1,344,195
	154,139,897	2,845,789	156,985,686	144,292,522	5,057,574	149,350,096

Notes to the Financial Statements - 2005

9.2	Investments by segment	Note	2005	2004 (Restated)
			Rupees in '000	
	Federal Government Securities			
	Market Treasury Bills		57,124,916	55,694,656
	Pakistan Investment Bonds	9.4	19,554,207	27,141,362
	Federal Investment Bonds	9.5	1,319,992	3,721,448
	Others			
	- Government Compensation Bonds	9.13	2,447,200	2,549,817
	- GoP Foreign Currency Bonds		9,457,014	8,233,567
			11,934,214	10,783,384
			89,933,329	97,340,850
	Provincial Government Securities		36,513	36,513
	Foreign Government Securities		5,981,940	5,160,570
	Fully Paid up Ordinary Shares			
	- Listed Companies	9.13	3,771,813	4,138,155
	- Unlisted Companies	9.13	433,864	477,324
			4,205,677	4,615,479
	Investments in mutual funds	9.13	974,469	934,504
	National Investment Trust Units	9.6	19,092,549	13,752,415
	Preference Shares	9.13	424,200	460,025
	Certificates of Investment		-	2,050
	Debentures, Bonds, Participation Term Certificates and Term Finance Certificates			
	- Listed	9.13	553,204	361,807
	- Unlisted	9.7 & 9.13	11,995,727	19,887,177
			12,548,931	20,248,984
	Investment outside Pakistan	9.8	22,110,611	5,435,236
	Investments in Associates	9.9	1,014,869	1,015,472
	Investments in Joint Ventures	9.10	1,274,835	1,244,835
	Investments in Subsidiaries	9.11	1,352,766	1,352,458
			158,950,689	151,599,391
	Less : Provision for diminution in value of investments	9.12	1,965,003	2,249,295
			156,985,686	149,350,096

9.3 Market value of held-to-maturity investments is Rs.33,358 million (2004: Rs.41,018 million).

9.4 These include Pakistan Investment Bonds amounting to Rs.75 million (2004: Rs.75 million) against demand loans and TT/DD discounting facilities.

9.5 These include Federal Investment Bonds amounting to Rs.940 million (2004: Rs. 940 million) provided to payoff liabilities relating to former MBL.

9.6 NIT Units

Includes 365,284,216 NIT units in respect of which Government of Pakistan (GoP) issued a letter of comfort (LoC) dated August 8, 2001 stating that on bank's willingness to continue holding the units for five years from the date of LoC, NIT will be facilitated to redeem the units at Rs. 13.70 per unit. During the year on the directives of MoF, the bank acquired 5,542,620 units from small sized LoC holders at a price of Rs.205.077 million. In accordance with SBP's concurrence vide their letter no. BSD/SU-15/503/1504/2005 dated March 16, 2005 these units have been valued at market value (repurchase price) aggregating Rs.18,684 million (2004: Rs.13,662 million). Also during the current year, the Privatisation Commission of the Government of Pakistan (GoP) offered all the NIT LoC holders including the bank the following two options under the scheme of Privatisation of the Trust:

- (a) Right to manage the fund represented by the respective LoC holder's portion of the assets / shares and pay for the management rights as per the terms contained in the "Scheme" (scheme for the split-sell and settlement of NIT under GoP's privatisation campaign); or
- (b) The LoC holder's holding of NIT Units would continue to be managed by NIT as part of a separate split fund.

The bank has conveyed its concurrence to option (a).

Notes to the Financial Statements - 2005

- 9.7 Terms Finance Certificates, Debentures, Bonds and Participation Term Certificates include Rs.741 million (2004: Rs.932 million) which are considered non-performing.

Term Finance Certificates (TFCs) include Rs. 313.052 million (2004: Rs.341.998 million) and Rs. 972.037 million (2004: Rs.1,040.256 million) in respect of unlisted TFCs relating to Dewan Cement Limited (formerly Pakland Cement Limited) and Dewan Hattar Cement Limited (formerly Saadi Cement Limited) transformed as a new debt under Revised Scheme of Arrangement sanctioned by the Honorable High Court of Sindh. The State Bank of Pakistan has allowed, vide letter No. BPD/PU-22/22.03/X/2005/1836 dated February 15, 2005, to all concerned banks/DFIs that the above restructuring may be treated as a fresh financing and old loans/leases may be considered as redeemed and paid off for the purpose of Prudential Regulation R-8. The existing provision has however been retained.

9.8 Bank Al-Jazira

The bank holds 875,000 (2004: 875,000) shares in Bank Al-Jazira incorporated in the Kingdom of Saudi Arabia, being 5.83% (2004: 5.83%) holding in total equity. During the current year the bank was granted permission to open a branch in Saudi Arabia by Saudi Arabian Monetary Agency (SAMA). The bank has been given to understand by SAMA that it has to divest the holding in Bank Al-Jazira and accordingly, the Board of Directors has authorised the management to initiate the process of disinvestment at the best possible price in coordination with SAMA. Upto last year the investment was recorded at lower of (Rupee) cost or market value as per the Saudi Stock Exchange and in accordance with SBP's concurrence vide their letter No. BSD/SU-13/331/685/2006 dated February 17, 2006, from current year the investment has been marked to market with closing price as quoted on the Saudi Stock Exchange.

9.9 Investment in associates	Number of shares	Percentage holding	Rupees in '000	
			2005	2004
Un-quoted				
Pakistan Emerging Venture Limited	12,500,000	33.33	64,415	64,415
First Credit and Discounting Corporation	4,726,563	50.00	157,429	157,429
Information System Associates Limited	2,300,000	28.07	1,719	1,719
National Finance and Investment Services Limited	1,400,000	30.07	-	-
National Fructose Company Limited	1,300,000	39.50	6,500	6,500
Pakistan Insulation Limited	494,500	24.79	695	695
Ali Textile (Jhang) Limited	926,500	32.46	9,265	9,265
Venture Capital Fund Management	33,333	33.33	-	333
Ashraf Sugar Mills Limited	2,059,271	20.44	-	-
Kamal Enterprises Limited	11,000	20.37	-	-
Mehran Industries Limited	37,500	32.05	-	-
Qurell Cassettes Limited	46,250	30.83	-	-
Tharparkar Sugar Mills Limited	2,500,000	21.50	-	-
Youth Investment Promotion Society	644,508	25.00	-	-
Khushhali Bank	400	23.45	400,000	400,000
Dadabhoy Energy Supply Company Limited	9,900,000	33.00	32,105	32,105
K-Agricole Limited	5,000	20.00	-	-
New Pak Limited	200,000	20.00	-	-
Prudential Fund Management	150,000	20.00	-	-
			672,128	672,461
Quoted				
National Fibres Limited	17,119,476	20.19	-	-
Asian Leasing Company Limited	2,863,600	27.39	3,866	3,866
Taha Spinning Mills Limited	833,800	20.59	2,501	2,501
Kohat Textile Mills Limited	2,906,900	33.03	29,069	29,069
Land Mark Spining Mills Limited	3,970,960	32.75	39,710	39,710
S.G. Fibres Limited	3,754,900	25.03	218,535	218,535
Nina Industries Limited	4,933,000	20.27	49,060	49,330
			342,741	343,011
			1,014,869	1,015,472
Less: Provision for diminution in value of investments			457,440	458,043
			557,429	557,429

- 9.9.1 Market value of quoted associates amount to Rs 297.012 million (2004: Rs.364.083 million)

- 9.9.2 Associates with zero carrying amount, represent the investment acquired from former NDFC which have negative equity or closed operations.

Notes to the Financial Statements - 2005

9.9.3 The details of break-up value based on latest available financial statements of un-quoted investment in associates are as follows:

	Year ended	Break-up value of bank's share Rupees in '000	
		2005	2004
Pakistan Emerging Venture Limited	June 30, 2004	15,373	
First Credit and Discounting Corporation	June 30, 2005	225,447	
Information System Associates Limited	June 30, 2003	11,300	
Pakistan Insulation Limited	June 30, 2001	2,630	
Ali Textile (Jhang) Limited	September 30, 2001	10,049	
Ashraf Sugar Mills Limited	September 30, 2004	(34,029)	
Mehran Industries Limited	June 30, 2001	5,681	
Tharparkar Sugar Mills Limited	September 30, 2001	(83,140)	
Khushhali Bank	December 31, 2004	408,050	
Dadabhoy Energy Supply Company Limited	June 30, 2003	60,121	
		1,274,835	1,244,835

9.10 Investment in joint ventures

		2005	2004
		Rupees in '000	
United National Bank Limited	9.10.1	1,244,835	1,244,835
National Fullerton Assets Management (NAFA) Ltd.	9.10.2	30,000	-
		1,274,835	1,244,835

9.10.1 Under a joint venture agreement, the bank holds 13.5 million ordinary shares (45%) and United Bank Limited (UBL) holds 16.5 million ordinary shares (55%) in the venture. In addition to ordinary shares, four preference shares categories as "A", "B", "C" and "D" have been issued and allotted. The "B" and "D" category shares are held by the bank and category "A" and "C" are held by UBL. Dividends payable on "A" and "B" shares are related to the ability of the venture to utilize tax losses that have been surrendered to it on transfer of business from the bank or UBL as appropriate. Dividends payable on "C" and "D" shares are related to loans transferred to the venture by the bank or UBL that have been written-off or provided for at the point of transfer and the ability of the venture to realize in excess of such loan value. Upto December 31, 2005 the bank's share of undistributed profits amounts to Rs.142.349 million (2004: Rs.51.818 million)

9.10.2 The company has been set up for the purpose of providing asset management services and investment advisory services with a paid-up capital of Rs 50 million as a joint venture between the bank, NDLC-IFIC Bank Limited and Alexandra Fund Management PTE Limited. The bank has 30% holding as at December 31, 2005.

9.11 Investments in subsidiaries

	Percentage holding	2005		2004
		Rupees in '000		
NBP Capital Ltd.	100.00	500,000	500,000	500,000
JSC Subsidiary Bank of NBP in Kazakhstan	100.00	419,796	419,488	419,488
NBP Exchange Company Ltd.	100.00	300,000	300,000	300,000
NBP Modaraba Management Company Ltd.	100.00	105,000	105,000	105,000
Taurus Securities Ltd.	58.32	24,725	24,725	24,725
National Agriculture & Storage Company Ltd.	100.00	2,000	2,000	2,000
Cast-N-Link Products Ltd.	76.51	1,245	1,245	1,245
		1,352,766	1,352,458	1,352,458
Less: Provision for diminution in value of investments		3,245	8,263	8,263
		1,349,521	1,344,195	1,344,195

9.11.1 Details of assets, liabilities and equity position of the subsidiaries on the basis of latest audited financial statements are given below:

	Year Ended	Total Assets	Total Liabilities	Net Equity
NBP Capital Ltd.	December 31, 2004	1,340,812	700,741	640,071
JSC Subsidiary Bank of NBP in Kazakhstan	December 31, 2005	552,309	106,360	445,949
NBP Exchange Company Ltd.	June 30, 2004	369,882	61,082	308,800
NBP Modaraba Management Company Ltd.	June 30, 2005	118,134	15,241	102,893
Taurus Securities Ltd.	December 31, 2004	558,788	394,676	164,112
National Agriculture & Storage Company Ltd.	June 30, 2004	2,932	2,349	583
Cast-N-Link Products Ltd.	*			

* This investment was acquired as a result of amalgamation of NDLC with the bank. The latest financial statements of this company are not available and investment is fully provided for.

Notes to the Financial Statements - 2005

		2005	2004
		Rupees in '000	
9.12	Particulars of provision for diminution in value of investments		
	Opening Balance	2,249,295	2,084,911
	Charge for the year	-	363,861
	Reversals	(245,881)	(178,154)
		(245,881)	185,707
	Amount written off	(38,411)	(21,323)
	Closing balance	1,965,003	2,249,295

9.13 Information relating to investments in shares of listed, unlisted companies, redeemable capital and bonds is given in Annexure "I" and is an integral part of these financial statements.

		2005	2004
		Rupees in '000	
10.	ADVANCES		
	Loans, cash credits, running finances, etc.		
	In Pakistan	262,467,150	211,753,452
	Outside Pakistan	22,071,338	23,623,106
		284,538,488	235,376,558
	Bills discounted and purchased (excluding Government treasury bills)		
	Payable in Pakistan	2,387,740	3,411,585
	Payable outside Pakistan	12,471,568	10,351,611
		14,859,308	13,763,196
	Margin Financing	25,015	705,099
		299,422,811	249,844,853
	Less: Provision against non-performing loans	30,584,032	29,050,778
		268,838,779	220,794,075
10.1	Particulars of advances		
10.1.1	In local currency	234,504,708	187,726,199
	In foreign currencies	34,334,071	33,067,876
		268,838,779	220,794,075
10.1.2	Short-term (for upto one year)	157,032,686	138,446,145
	Long-term (for over one year)	111,806,093	82,347,930
		268,838,779	220,794,075

10.2 Advance include Rs. 33,738 million (2004: Rs.36,099) million) which have been placed under the non-performing status as detailed below:

Category of Classification	2005				
	Domestic	Overseas	Total	Provision Required	Provision Held
	Rupees in '000.....				
Other Assets Especially Mentioned	123,778	-	123,778	-	-
Substandard	1,200,302	-	1,200,302	144,345	144,345
Doubtful	520,061	-	520,061	303,428	303,428
Loss	31,222,824	670,806	31,893,630	27,940,957	27,940,957
	33,066,965	670,806	33,737,771	28,388,730	28,388,730

Notes to the Financial Statements - 2005

During the year, the State Bank of Pakistan has revised the basis of classification of non-performing Corporate, Consumer and SME loans and advances vide BSD Circular No. 7 dated November 1, 2005 and in accordance with BSD Circular No. 2 dated January 14, 2006, the SBP has allowed banks to meet the provisioning requirement against substandard category in a phased manner. The State Bank of Pakistan has also issued Prudential Regulations for Agriculture during the current year vide BPD Circular No.27 dated October 22, 2005.

Had the provision against non-performing loans and advances been determined in accordance with the previous requirement of the State Bank of Pakistan in respect of non-performing Corporate, Consumer and SME loans and advances, the specific provision against non-performing loans and advances would have been lower and consequently profit before taxation and advances (net of provision) as at December 31, 2005 would have been higher by approximately Rs.968 million.

The Prudential Regulations for corporate and commercial banking, effective from January 1, 2004, among other things require discounting of forced sale value of securities used by the bank against non-performing loans by 20%, 30% and 50% respectively in the first, second and third year. Although revised regulations became effective in the year 2004, the bank had adopted these requirements effective from year 2003 and accordingly it had discounted forced sale values used in computing the provision against non-performing loans by 40% upto 2004. In the current year as a result of further discounting of forced sales values by 10%, an additional provision of Rs.630.123 million has been made.

The Prudential Regulations issued by the State Bank of Pakistan effective from January 1, 2004 and SBP letter dated July 31, 2004 requires banks to maintain a general reserve equivalent to 1.5% of consumer portfolio, which is secured and 5% of the consumer portfolio which is unsecured to protect the banks from the risk associated with the economic cyclical nature of this business. The State Bank of Pakistan has allowed the bank to make the provision amounting to Rs.1,331 million on the outstanding unsecured consumer portfolio as at December 31, 2004 in 2005 and 2006. The bank has made a provision of Rs.874 million till to date.

10.3 Particulars of provision against advances

Note	2005			2004		
	Specific Rupees in '000	General	Total	Specific Rupees in '000	General	Total
Opening balance	28,372,354	678,424	29,050,778	27,453,807	239,201	27,693,008
Exchange adjustments	(140)	(18,181)	(18,321)	8,637	22,379	31,016
Transfer from off balance sheet obligations	-	-	-	579,323	-	579,323
Charge for the year	3,115,568	1,535,059	4,650,627	2,748,301	429,105	3,177,406
Reversals	(2,203,888)	-	(2,203,888)	(1,649,791)	(12,261)	(1,662,052)
Net charge for the year	911,680	1,535,059	2,446,739	1,098,510	416,844	1,515,354
Amounts written off	(895,164)	-	(895,164)	(767,923)	-	(767,923)
Closing balances	28,388,730	2,195,302	30,584,032	28,372,354	678,424	29,050,778

10.4 Particulars of write offs

Note	2005 Rupees in '000	2004
10.4.1 Against Provision	895,164	767,923
Directly charged to profit and loss account	23,069	32,807
	918,233	800,730
10.4.2 Write offs of Rs.500,000 and above	896,526	789,121
Write offs of below Rs.500,000	21,707	11,609
	918,233	800,730

10.5 Details of loans written off 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 Rs.500,000 or above allowed to a person(s) during the year ended December 31, 2005 is given in Annexure-II.

10.6 These are secured against shares of listed companies, market value of which amounted to Rs.43.21 million (2004: Rs 706.09 million) at the balance sheet date. These carry mark-up at the rate of 3 months KIBOR + 4% (2004: 8.27% to 18.53%).

10.7 Particulars of loans and advances to directors, associated companies, etc.

	Balances as at December 31, 2005	Max. total amount of advances including temporary advances granted during the year*
..... Rupees in '000		
Debts due by direction, executives, officers and staff of the bank or any of them either severally or jointly with any other persons	11,340,452	11,340,452
Debts due by companies or firms in which the directors of the bank are interested as directors, partners or in the case of private companies as members	119,319	262,221
Debts due by subsidiary companies, controlled firms, managed modaraba and other related parties	2,451,260	2,451,260

* The maximum amount has been calculated by reference to month end balances.

Notes to the Financial Statements - 2005

11. OTHER ASSETS	Note	2005 Rupees in '000	2004
Income/mark-up accrued in local currency		6,793,885	5,475,078
Income/mark-up accrued in foreign currencies		1,243,628	714,577
Commission receivable		1,301,156	1,215,399
Advances, deposits, advance rent and other prepayments		638,852	608,673
Advance taxation (payments less provisions)	21.4.2	9,415,827	7,451,666
Stationary and stamps on hand		199,148	181,477
Un-realized gain on forward exchange contracts		137,520	4,761
Prepaid exchange risk fee		-	1,109
Barter trade balances		182,503	182,503
Receivable from CIRC	11.1	278,501	359,498
Receivable on account of Government transactions	11.2	323,172	328,980
Receivable from Government under VHS scheme	11.3	408,576	437,211
Less: amount charged/provision		408,576	437,211
Receivable from pension fund	32.1	2,523,668	2,047,859
Prize bonds on hand		297,755	225,695
Receivable from brokers		616,218	104,900
Others	44.3	1,782,098	1,833,971
		25,733,931	20,736,146
Less: Provision held against other assets	11.4		
Income/mark-up accrued in local currency/foreign currencies		335,592	579,520
Stationary and stamps on hand		51,200	50,214
Barter trade balances		182,503	182,503
Receivable on account of Government transactions		323,172	-
Others		900,408	782,340
		1,792,875	1,594,577
		23,941,056	19,141,569
11.1	According to the terms of agreement with CIRC, the balance is payable at earlier of date of sale or completion of three years from the date the units were transferred to CIRC. The amount is payable in cash to the extent net proceeds are realized by CIRC and the balance is payable in the form of three years bonds carrying mark-up on the sharia based system. During the year the bank received bonds of Rs.11 million maturing in three years.		
11.2	This represents amount receivable from Government of Pakistan on account of encashment of various instruments handled by the bank for Government of Pakistan as an agent of SBP.		
11.3	This represents payments made under the Voluntary Handshake Scheme (VHS), recoverable from Government of Pakistan. Due to uncertainty about its recoverability, although a claim has been lodged, full amount has been provided for.		
11.4 Provisions held against other assets	Note	2005 Rupees in '000	2004
Opening balance		1,594,577	1,546,812
Amount transferred from other liabilities		-	15,522
Charge for the year		198,298	32,243
Closing balance		1,792,875	1,594,577
12. OPERATING FIXED ASSETS			
Capital work-in-progress	12.1	318,751	218,840
Property and equipment	12.2	9,135,614	8,984,129
		9,454,365	9,202,969
12.1 Capital work-in-progress			
Civil works		301,378	205,117
Equipment		-	1,997
Advances to suppliers and contractors		17,373	11,726
		318,751	218,840

Notes to the Financial Statements - 2005

12.2 Property and equipment

	Cost/revalued amount			Accumulated depreciation			Book Value at December 31, 2005	Rate of depreciation	
	At January 1, 2005	Revaluations surplus/ (deficit)	Additions/ (deletions)/ *Adjustment	At December 31, 2005	At January 1, 2005	Charge for the year/ (deletions) *Adjustment			At December 31, 2005
Rupees '000									
Owned									
Land									
- freehold	2,781,313	-	-	2,781,313	-	-	-	2,781,313	Nil
- leasehold	2,766,782	-	-	2,766,782	-	-	-	2,766,782	Nil
Building on land:									
- freehold	1,718,048	-	28,745	1,746,793	380,115	69,423	449,538	1,297,255	5% on book value
- leasehold	1,224,160	-	17,393	1,241,553	213,495	53,010	266,505	975,048	5% on book value
Furniture and fixtures	1,027,001	-	103,406 (4,935)	1,125,472	715,629	45,080 (2,544)	758,165	367,307	10% to 30% on book value and 20% on straight-line on new furnishing limit
Computer & peripheral equipments	890,003	-	163,656 (272)	1,053,387	580,936	232,972 (268)	813,640	239,747	33% on cost
Electrical & office equipments	1,064,085	-	246,543 (2,301)	1,308,327	750,358	106,258 (1,895)	854,721	453,606	20% on book value
Vehicles	218,223	-	144,769 (24,687) * 104,132	442,437	114,282	59,755 (23,364) * 56,618	207,291	235,146	20% on cost
	<u>11,689,615</u>	<u>-</u>	<u>704,512 (32,195) *104,132</u>	<u>12,466,064</u>	<u>2,754,815</u>	<u>566,498 (28,071) * 56,618</u>	<u>3,349,860</u>	<u>9,116,204</u>	
Under finance lease									
Vehicles	111,913	-	20,350 (7,781) * (104,132)	20,350	62,584	940 (5,966) * (56,618)	940	19,410	20% on cost
2005	11,801,528	-	724,862 (39,976) -	12,486,414	2,817,399	567,438 (34,037) -	3,350,800	9,135,614	
2004	11,193,863	25,802	593,770 (11,907)	11,801,528	2,392,759	434,273 (9,633)	2,817,399	8,984,129	

12.3 In the year 2004, certain of the bank's properties were revalued by M/s Younus Mirza & Co. on the basis of market value which resulted in net surplus of Rs.25.802 million over the book value of the assets.

In the year 2003, certain bank's properties were revalued by M/s Younus Mirza & Co. and M/s Iqbal A. Nanji & Co. on the basis of market value which resulted in net surplus of Rs.547 million over the book value of the assets.

In the year 2002, the bank's properties were revalued by M/s Younus Mirza & Co. on the basis of market value which resulted in net surplus of Rs.1,199.625 million over the book value of the assets.

Notes to the Financial Statements - 2005

12.4 Had the revaluation not been carried out, the net book value of the revalued assets at December 31, 2005 would have been as follows:

Land		Buildings on land		Total
Freehold	Leasehold	Freehold	Leasehold	
Rupees in '000				
<u>284,179</u>	<u>369,986</u>	<u>122,130</u>	<u>119,683</u>	<u>895,978</u>

12.5 Movement in surplus on revaluation of properties

	Note	2005	2004
Rupees in '000			
Surplus on revaluation on January 1,		5,944,318	5,988,510
Net surplus on revaluation of bank's properties during the year	12.2	-	25,802
Transferred to unappropriated profit in respect of incremental depreciation charged during the year-net of deferred tax		(43,221)	(45,496)
Related deferred tax liability		(23,273)	(24,498)
		(66,494)	(69,994)
		<u>5,877,824</u>	<u>5,944,318</u>
Less: Related deferred tax liability on:			
Revaluation as at January 1,		491,938	530,324
Revaluation of bank's properties during the year		-	(13,888)
Incremental depreciation charged during the year transferred to profit and loss account		(23,273)	(24,498)
	13	<u>468,665</u>	<u>491,938</u>
Surplus on revaluation of fixed assets on December 31,	20.1	<u>5,409,159</u>	<u>5,452,380</u>

12.6 Carrying amount of temporarily idle property and equipment as at December 31, 2005 is Rs.400 million (2004: Rs.535 million).

Notes to the Financial Statements - 2005

12.7 DETAILS OF DISPOSALS OF FIXED ASSETS

Details of assets whose original cost or the book value exceeds rupees one million or two hundred fifty thousand rupees, whichever is lower are given below:

Particulars of assets	Original cost	Book value	Sale proceed	Profit/(loss)	Mode of Disposal	Particulars of Purchaser
	Rupees in '000					
Motor Vehicle	849	679	679	-	As per service rules on retirement	Mr. Rais Ahmed Qureshi (Employee)
Motor Vehicle	939	563	563	-	As per service rules on retirement	Mr. Iftikhar Rasool Anjum (Employee)
Motor Vehicle	849	340	136	(204)	As pre service rules on retirement	Mr. S. Safdar Raza Rizvi (Employee)
Motor Vehicle	849	509	136	(373)	As per service rules on retirement	Mr. Khwaja A. Jalil (Employee)
Furniture and Fixtures	300	300	150	(150)	As per service rules on retirement	Mr. Hanif Bux (Employee)
Furniture and Fixtures	300	300	150	(150)	As per service rules on retirement	Mr. S. Safdar Raza Rizvi (Employee)
Other assets (having book value of less than Rs.250,000 and cost of less than Rs. 1,000,000)	35,890	3,248	22,047	18,799	As per service rules on retirement / Auction	Various
	<u>39,976</u>	<u>5,939</u>	<u>23,861</u>	<u>17,922</u>		

13	DEFERRED TAX (ASSETS) / LIABILITIES	Note	2005	2004
			Rupees in '000	
	Deferred tax (assets) arising in respect of			
	Provision for diminution in the value of investments		(463,563)	(677,336)
	Provision against advances - general provisions		(667,424)	(599,325)
	Other provision		(117,456)	(242,149)
	Charge against defined benefits plans		(255,404)	(323,947)
	Excess of accounting book value of leased assets over lease liabilities		-	(6,482)
	Difference between accounting book value of fixed assets and tax base		(95,643)	(63,842)
	Provision against off-balance sheet obligation		(115,222)	(115,222)
			<u>(1,714,712)</u>	<u>(2,028,303)</u>
	Deferred tax liabilities arising in respect of			
	Excess of accounting book value of leased assets over lease liabilities		972	-
	Revaluation of securities	20.2	5,707,793	1,565,550
	Revaluation of fixed assets	12.5	468,665	491,938
			<u>6,177,430</u>	<u>2,057,488</u>
	Net deferred tax liabilities		<u>4,462,718</u>	<u>29,185</u>
14.	BILLS PAYABLE			
	In Pakistan - local currency		1,714,500	7,181,705
	Outside Pakistan - foreign currencies		26,656	32,966
			<u>1,741,156</u>	<u>7,214,671</u>
15.	BORROWINGS FROM FINANCIAL INSTITUTIONS			
	In Pakistan		8,408,521	8,717,621
	Outside Pakistan		348,326	2,367,169
		15.1 & 15.2	<u>8,756,847</u>	<u>11,084,790</u>
15.1	Particulars of borrowings from financial institutions			
	In local currency		8,408,521	8,717,621
	In foreign currencies	15.2	348,326	2,367,169
			<u>8,756,847</u>	<u>11,084,790</u>

Notes to the Financial Statements - 2005

15.2 Details of borrowings from financial institutions

Secured	Note	2005	2004
		Rupees in '000	
Borrowings from State Bank of Pakistan against			
Export refinance		4,034,703	3,175,666
Locally Manufactured Machinery		3,408	12,735
Finance to payoff liabilities relating to former MBL	15.2.1	752,000	1,740,000
Others		66,907	66,907
		4,857,018	4,995,308
Repurchase agreement borrowings		2,747,952	3,722,313
		7,604,970	8,717,621
Unsecured			
Call borrowings		448,326	1,056,128
Overdrawn nostro accounts		632,751	1,235,876
Others		70,800	75,165
		1,151,877	2,367,169
	15.2.2	8,756,847	11,084,790

15.2.1 This comprises of balances of two loans of Rs.4,000 million extended in 1995 and Rs.940 million extended in 1999. Both loans are interest free and are repayable in five equal annual installments after an initial grace period of five years.

15.2.2 Mark-up/interest rates and other terms are as follows:

- Export refinance loans from SBP are at the rate of 7.5% per annum (2004: 3.5% per annum).
- Locally Manufactured Machinery Loans from SBP are at the rate of 8% to 9.5% per annum (2004: 3.5% per annum).
- Secured borrowings "Others" from SBP are interest free.
- Call borrowings carry interest ranging from 1.4% to 8.15% per annum (2004: 2.13% to 7% per annum).
- Overdrawn nostro accounts carry interest at the rate of 1% to 5% per annum (2004: 1% to 5% per annum).
- Repurchase agreement borrowings carry mark-up at the rate of 3% to 8.4% per annum (2004: 3.7% to 4.1% per annum).
- Unsecured borrowings "Others" carry interest at the rate of 10% per annum (2004: 4.62% to 10% per annum).

16. DEPOSITS AND OTHER ACCOUNTS

Customers	Note	2005	2004
		Rupees in '000	
Fixed deposits		80,924,830	78,127,168
Savings deposits		165,513,085	158,640,336
Current accounts - remunerative		54,519,134	73,665,385
Current accounts - non-remunerative		102,690,939	85,093,282
		403,647,988	395,526,171
Financial Institutions			
Remunerative deposits		38,174,088	38,830,121
Non-remunerative deposits		21,604,526	31,215,425
		59,778,614	70,045,546
	16.1	463,426,602	465,571,717
16.1 Particulars of deposits			
In local currency		357,033,410	348,578,913
In foreign currencies [including deposits of foreign branches of Rs 81,124 million (2004: Rs.94,292 million)]		106,393,192	116,992,804
		463,426,602	465,571,717

Notes to the Financial Statements - 2005

17. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2005			2004		
	Minimum lease payment	Financial charges for future periods.....Rupees in '000.....	Principal outstanding	Minimum lease payments	Financial charges for future periods.....Rupees in '000.....	Principal outstanding
Not later than one year	7,818	1,856	5,962	18,435	1,377	17,058
Later than one year and not later than five years	12,131	1,464	10,667	-	-	-
	<u>19,949</u>	<u>3,320</u>	<u>16,629</u>	<u>18,435</u>	<u>1,377</u>	<u>17,058</u>

The bank has entered into lease agreements with various leasing companies for lease of vehicles. Lease rentals are payable in quarterly installments. Financial charges included in lease rentals are determined on the basis of discount factors applied at the rates ranging from 12% to 16%. At the end of lease term, the bank has the option to acquire the assets subject to adjustment of security deposits.

18. OTHER LIABILITIES	Note	2005	2004
		Rupees in '000	
Mark-up/ return/ interest payable in local currency		2,873,212	1,963,508
Mark-up/ return/ interest payable in foreign currencies		741,762	466,019
Unearned commission and income on bills discounted		52,965	102,063
Accrued expenses		964,957	873,562
Advance payments		16,538	42,688
Unclaimed dividends		5,632	3,545
Proposed dividend		1,477,232	738,616
Branch adjustment account - net		803,722	78,801
Liabilities relating to:			
Bangladesh (former East Pakistan)		227,089	227,089
Barter trade agreements		8,505,559	8,445,856
Special separation package		78,422	79,951
Post retirement medical benefits	32.2	2,001,749	1,771,898
Compensated absences	32.3	1,521,326	1,219,566
Benevolent fund	32.4	729,725	733,572
Payable to GoP for NDFC amalgamation		57,351	57,351
Payable on account of Government transactions	44.3	73,805	152,167
Staff welfare fund		748,795	882,862
Provision against off balance sheet obligations	18.1	425,824	425,824
Un-realized loss on derivative financial instruments	18.2	432,193	126,638
Payable to brokers		72,050	399,929
Others [(including provision of Rs.178 million (2004: Rs.178 million) for contingencies)]		3,164,542	4,276,809
		<u>24,974,450</u>	<u>23,068,314</u>
18.1 Provision against off balance sheet obligations			
Opening balance		425,824	990,850
Amount transferred to provision against advances	10.3	-	(579,323)
Charge for the year		-	14,297
Closing balance		<u>425,824</u>	<u>425,824</u>
18.2 Derivative financial instruments			
Notional amount			
Interest rate swaps		4,557,500	4,400,000
Equity futures		-	342,037
		<u>4,557,500</u>	<u>4,742,037</u>
Un-realized loss on			
Interest rate swaps		432,193	119,765
Equity futures		-	6,873
		<u>432,193</u>	<u>126,638</u>

Notes to the Financial Statements - 2005

19. SHARE CAPITAL

19.1 Authorized Capital

2004	2005		Note	2005	2004
Number of shares				Rupee in '000	
500,000,000	750,000,000	Ordinary shares of Rs. 10 each		7,500,000	5,000,000

19.2 Issued, subscribed and paid-up

140,388,000	140,388,000	Ordinary shares of Rs.10 each		1,403,880	1,403,880
352,022,622	450,504,746	Fully paid in cash		4,505,047	3,520,226
		Issued as bonus shares			
<u>492,410,622</u>	<u>590,892,746</u>			<u>5,908,927</u>	<u>4,924,106</u>

20. SURPLUS ON REVALUATION OF ASSETS

20.1 Surplus on revaluation of fixed assets - net of tax

12.5

5,409,159

5,452,380

20.2 Surplus on revaluation of securities - net of tax

Federal Government securities				70,904	654,623
Term Finance Certificates				1,589	30,682
Quoted shares				2,729,170	2,904,619
NIT Units				14,031,893	8,897,270
Bank Al-Jazira				21,647,316	4,971,941
				38,480,872	17,459,135
Deferred tax liability recognized			13	(5,707,793)	(1,565,550)
				<u>38,182,238</u>	<u>21,345,965</u>

21. CONTINGENCIES AND COMMITMENTS

21.1 Direct credit substitutes

Includes general guarantee of indebtedness, bank acceptance guarantees and standby letters of credit serving as financial guarantees for loans and securities issued in favour of;

- Government				2,269,358	3,359,697
- Financial institutions				504,595	2,599,042
- Others				13,012,983	8,655,704
				<u>15,786,936</u>	<u>14,614,443</u>

21.2 Transaction-related contingent liabilities

Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credits related to particular transactions issued in favour of;

- Government				12,488,526	6,361,465
- Financial institutions				-	1,735,613
- Others				9,971,136	7,958,198
				<u>22,459,662</u>	<u>16,055,276</u>

21.3 Trade-related contingent liabilities

Letters of credit
Issued in favour of

- Government				69,418,144	37,206,465
- Financial institutions				8,121,679	18,743
- Others				26,211,138	26,085,973
				<u>103,750,961</u>	<u>63,311,181</u>

21.4 Other contingencies

21.4.1 Claims against the bank not acknowledged as debts [including SBP liabilities on Bangladesh borrowing and interest thereon amounting to Rs.158 million (2004: Rs.155 million) and claims relating to former MBL amounting to Rs.1,117 million (2004: Rs.1,291 million)].

13,271,740

13,976,935

Notes to the Financial Statements - 2005

21.4.2 Taxation

The income tax assessments of the bank for global operations as well as Azad Kashmir have been finalized upto and including the tax year 2004 (accounting year ended December 31, 2003). The income tax returns for the tax year 2005 (accounting year ended December 31, 2004) have been filed for global operations and Azad Kashmir and the same are deemed to be assessment order under the provisions of section 120 of the Income Tax Ordinance, 2001, unless amended otherwise. Appeals filed by the bank and tax department for certain assessment years including tax year 2004 are pending before various appellate forum/court of law. The major issues involved include taxability of interest credited to suspense account and disallowances of cost incurred in respect of employees' special separation scheme. In the event that the appeals are decided against the bank, a further tax liability of Rs.7,780 million may arise in addition to amount already provided.

No provision has been made in these accounts for the above as the management, based on the opinion of tax lawyers and consultants, considers that provision is not necessary because the bank is subjected to tax exceeding its normal tax liability and will get relief in the appeals process.

21.4.3 Provident Fund

In 1977, in accordance with the GoP policy, the bank's employees benefits were changed from the Provident Fund to an enhanced Pension Scheme and an option was given to the employees either to opt for the new scheme or retain the existing benefits. Almost all employees opted for the new scheme. The bank considered that in accordance with the policy decision of the Banking Council and Finance Division of GoP, the balance of bank's contribution lying in the members' account in the Provident Fund upto that date should have been transferred to the Pension Fund to partially cover the additional cost of the enhanced benefits.

Subsequently, three employees filed a writ petition in 1980 before a Single Bench of Lahore High Court claiming the balance lying in their Provident Fund Account. This petition was dismissed by the Single Bench in July, 1982. Against this petition of the Single Bench, the aggrieved employees filed Intra Court Appeal before the High Court which was heard by a Division Bench of the Lahore High Court on a number of dates, extending over 16 years. Appeal against the Order of Single Bench was finally dismissed by the Division Bench vide Order dated July 31, 1998. One employee filed an appeal in the Supreme Court against the judgment of the Lahore High Court. In 2003, such appeals were finally decided by the Supreme Court of Pakistan against the bank. The Supreme Court directed the bank that the employees shall be paid contribution made by the bank together with the interest upto the date of payment. The bank in accordance with the legal opinion obtained, has commenced settlement of dues of eligible employees who had joined service of the bank prior to 1977. For the purpose of settlement, interest has been calculated in accordance with Rule 12 of the Provident Fund Rules at average redemption yield through the year of Central Government Rupee Loans of twenty years maturity or there about and such interest has been calculated in accordance with Rule 19 i.e. to ex-employees upto the date of retirement or death and to date in case of serving employees.

During 2004, certain employees have filed a contempt of court application before the Supreme Court, pointing out the issue of rate of interest and date of payment. Pending outcome of the said application, the bank has decided not to claim excess fund lying in the Provident Fund account although the management is confident that the payments being made are in accordance with the Supreme Court's decision. The additional liability which may arise in case of different interpretation of the Supreme Court's decision cannot be estimated until such interpretation is made.

	2005	2004
	Rupees in '000	
21.5 Commitments in respect of forward exchange contracts		
Purchase	15,623,954	20,585,795
Sale	36,816,486	19,867,414
21.6 Commitments in respect of trading of government securities		
Sale	500,000	-
21.7 Commitments for the acquisition of operating fixed assets	56,085	132,180
22. MARK-UP/RETURN/INTEREST EARNED		
On loans and advances to:		
Customers and financial institutions	21,084,453	10,883,763
On Investments in:		
Available-for-sale securities	5,728,644	3,825,231
Held-to-maturity securities	3,051,095	3,937,619
	8,779,739	7,762,850
On deposits with financial institutions	2,989,061	1,792,077
On securities purchased under resale agreements	780,482	508,643
	33,633,735	20,947,333

Notes to the Financial Statements - 2005

		2005	2004
		Rupees in '000	
23. MARK-UP/RETURN/INTEREST EXPENSED	<i>Note</i>		
Deposits		10,136,492	6,379,735
Securities sold under repurchase agreements		163,951	114,239
Short-term borrowings		20,317	59,733
Long-term borrowings		1,008	5,691
		10,321,768	6,559,398
24. INCOME FROM DEALING IN FOREIGN CURRENCIES			
Income from dealing in foreign currencies		1,214,992	854,099
Revaluation of barter trade balances		(30,265)	(275,969)
Revaluation of placements with foreign branches		20,911	430,858
		1,205,638	1,008,988
25. OTHER INCOME			
Rent on property		22,531	29,780
Net profit on sale of property and equipment and other assets	<i>12.7</i>	17,922	1,806
Capital gain/ (loss) on sale of			
- Equity investments		1,400,551	701,345
- Government securities		(34,780)	(33,361)
Others		167,681	175,543
		1,573,905	875,113
26. ADMINISTRATIVE EXPENSES			
Salaries and allowances		6,566,362	5,686,264
Charge for defined benefit plans		869,022	460,245
(Reversal) for voluntary handshake scheme		(28,635)	(369,475)
Non-executive directors' fee, allowances and other expenses	<i>33</i>	769	277
Rent, taxes, insurance, electricity, etc.		673,659	551,899
Legal and professional charges		93,468	84,667
Communications		222,933	186,786
Repairs and maintenance		207,746	159,487
Financial charges on leased assets		2,216	4,549
Stationery and printing		292,956	230,535
Advertisement and publicity		93,354	54,842
Donations	<i>26.1</i>	107,819	100
Auditors' remuneration	<i>26.2</i>	53,205	45,509
Depreciation	<i>12.2</i>	567,438	434,273
Conveyance		73,206	58,921
Entertainment		25,227	20,294
Travelling		154,647	132,423
Security services		435,405	374,667
Staff welfare fund	<i>26.3</i>	300,000	300,000
Others		484,336	462,538
		11,195,133	8,878,801
26.1 Donations include following amounts exceeding Rs.0.1 million.			
Special Olympics Pakistan		-	100
President's Earthquake Relief Fund		100,000	-
Supply of relief goods to earthquake affected areas		1,836	-
Zindagi Trust		5,983	-
		107,819	100
None of the directors/executives or their spouses have any interest in the donee.			

26.2 Auditors' remuneration

	KPMG Taseer Hadi & Co.	Ford Rhodes Sidat Hyder & Co.	2005 Total	2004 Total
	Rupees in '000			
Audit fee - Annual	1,878	1,878	3,756	3,416
- Interim	1,320	1,320	2,640	2,640
Fee for audit of domestic branches	2,492	2,492	4,984	4,530
Fee for special certifications and sundry advisory services	1,102	722	1,824	1,092
Out-of-pocket expenses	1,258	1,258	2,516	2,022
Fee for audit of overseas branches including advisory services and out-of-pocket expenses	-	-	37,485	31,809
	8,050	7,670	53,205	45,509

26.3 The charge for staff welfare fund is based on estimated payments to be made out of current year's profits.

Notes to the Financial Statements - 2005

	Note	2005 Rupees in '000	2004
27. OTHER CHARGES			
Penalties imposed by SBP			
Current year		63,206	60
Prior year(s)		-	8,224
		63,206	8,284
28. TAXATION			
For the year			
Current		7,154,002	4,950,000
Deferred		291,291	(15,729)
	28.1	7,445,293	4,934,271
For the prior year(s)		(1,098,709)	847,958
		6,346,584	5,782,229
Current taxation includes Rs.490 million (2004: Rs.535 million) of overseas branches.			
The tax provisions for 2005 has been made on estimated taxable income after charging provision against non-performing advances for which certificates from SBP, as required by the taxation authorities, are yet to be received.			
28.1 RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT			
Accounting profit before tax		19,056,028	11,977,601
Income tax at statutory rate @ 38% (2004: 41%)		7,241,291	4,910,816
Increase/(decrease) in taxes resulting from:			
Inadmissible differences		563,211	669,908
Income taxed at reduced rate		(166,647)	(458,590)
Income exempt from tax		(895,574)	(187,863)
Provisions no longer considered as temporary difference		539,010	-
Overseas taxation		164,002	-
Tax charge for current year		7,445,293	4,934,271
29. BASIC/DILUTED EARNINGS PER SHARE			
Profit for the year	Rupees '000	12,709,444	6,195,372
Weighted average number of ordinary shares	Numbers '000	590,893	590,893
Basic/diluted earnings per share	Rupees	21.51	10.48
30. CASH AND CASH EQUIVALENTS			
		2005	2004
		Rupees in '000	
Cash and balances with treasury banks		71,196,956	94,446,552
Balances with other banks		31,019,330	49,784,884
Overdrawn nostros		(632,751)	(1,235,876)
		101,583,535	142,995,560
31. STAFF STRENGTH			
		----- Numbers -----	
Total number of employees at end of the year		13,824	13,745
32. DEFINED BENEFIT PLANS			
The financial assumptions used in actuarial valuation at December 31, 2005 of pension fund, post retirement medical benefits, non- encashable leaves, leave encashment and benevolent fund schemes are as follows:			
		2005	2004
Salary increase		9% per annum	8% per annum
Discount rate		9% per annum	8% per annum
Expected rate of return on plan assets		9% per annum	8% per annum
Pension indexation rate		5% per annum	5% per annum
Rate of inflation in the cost of medical benefits		7% per annum	7% per annum

Notes to the Financial Statements - 2005

	Note	2005 Rupees in '000	2004
32.1 Reconciliation of (recoverable from) pension fund			
Present value of defined benefit obligations		10,085,072	8,889,166
Fair value of plan assets	32.1.1	(13,615,308)	(10,953,151)
Net actuarial gains not recognized		1,006,568	16,126
	11	<u>(2,523,668)</u>	<u>(2,047,859)</u>
The recognized amount has been restricted to present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan.			
32.1.1	Included herein is a sum of Rs.2,598 million (2004: 1,695 million) placed under deposit maintained with the bank.		
Movement in (recoverable from) pension fund			
Opening net assets		(2,047,859)	(1,672,929)
Charge for the year		137,521	58,564
Contribution to fund made during the year		(613,330)	(433,494)
		<u>(2,523,668)</u>	<u>(2,047,859)</u>
Charge for pension fund			
Current service cost		302,640	322,699
Interest cost		711,133	540,514
Expected return on plan assets		(876,252)	(763,046)
Actuarial (gains)/losses recognized		-	(41,603)
		<u>137,521</u>	<u>58,564</u>
Actual return on plan assets		<u>1,139,733</u>	<u>991,746</u>
32.2 Reconciliation of payable to medical benefit plan			
Present value of defined benefit obligations		2,303,706	2,212,279
Fair value of plan assets		-	-
Net actuarial losses not recognized		(301,957)	(440,381)
	18	<u>2,001,749</u>	<u>1,771,898</u>
Movement in net liability recognized			
Opening net assets		1,771,898	1,579,904
Charge for the year		291,650	239,613
Benefits paid		(61,799)	(47,619)
		<u>2,001,749</u>	<u>1,771,898</u>
Charge for medical benefit plan			
Current service cost		90,318	87,530
Interest cost		176,982	135,657
Actuarial (gains)/losses recognized		24,350	16,426
		<u>291,650</u>	<u>239,613</u>
32.3 Movement in net liability recognized for compensated absences			
Opening net assets		1,219,566	1,281,741
Net charge for the year		301,760	(62,175)
	18	<u>1,521,326</u>	<u>1,219,566</u>
32.4 Movement in net liability recognized for benevolent fund			
Opening net assets		733,572	638,103
Charge for the year		56,242	162,032
Benefits paid		(60,089)	(66,563)
	18	<u>729,725</u>	<u>733,572</u>
Charge for benevolent fund			
Current service cost		20,462	20,313
Interest cost		58,686	44,667
Actuarial (gains)/losses recognized		(22,906)	97,052
		<u>56,242</u>	<u>162,032</u>

Notes to the Financial Statements - 2005

33. REMUNERATION OF DIRECTORS AND EXECUTIVES

	President		Directors		Executives	
	2005	2004	2005	2004	2005	2004
-----Rupees in '000-----						
Fees	-	-	769	277	-	-
Managerial remuneration	3,600	3,600	-	-	117,231	104,020
Charge for defined benefit plan	-	-	-	-	17,823	9,168
Rent and house maintenance	3,490	3,600	-	-	52,936	46,929
Utilities	578	526	-	-	10,381	10,530
Medical	1,356	977	-	-	10,018	7,324
Conveyance	-	-	-	-	35,091	19,135
Leave fare assistance	2,250	2,100	-	-	-	-
Others	7,978	5,075	-	-	27,909	11,547
	19,252	15,878	769	277	271,389	208,653
Number of persons	1	1	7	6	191	143

The president and certain executives are also provided with free use of the bank's cars, household equipments and free membership of clubs.

Executives mean officers, other than the chief executive and directors, whose basic salary exceeds five hundred thousand rupees in the financial year.

34. MATURITIES OF ASSETS AND LIABILITIES

Liquidity risk

Liquidity risk is the risk that the bank will be unable to meet its liability when they fall due. To limit this risk, management has arranged diversified funded sources, manages assets with liquidity in mind and monitors liquidity on daily basis. In addition, the bank maintain statutory deposits with central banks inside and outside Pakistan.

	Total	Upto three months	Over 3 months to one year	Over one year to five years	Over five years
	-----Rupees in '000-----				
Assets					
Cash and balances with treasury banks	71,196,956	58,198,864	12,998,092	-	-
Balances with other banks	31,019,330	30,144,534	874,796	-	-
Lendings to financial institutions	16,282,942	16,078,942	204,000	-	-
Investments	156,985,686	15,600,621	73,456,363	49,486,981	18,441,721
Advances	268,838,779	113,957,673	43,075,013	85,645,504	26,160,589
Other assets	23,941,056	9,302,331	2,699,230	11,939,495	-
Operating fixed assets	9,454,365	-	-	-	9,454,365
Deferred tax assets	-	-	-	-	-
	577,719,114	243,282,965	133,307,494	147,071,980	54,056,675
Liabilities					
Bills payable	1,741,156	1,741,156	-	-	-
Borrowings from financial institutions	8,756,847	7,899,252	343,888	513,707	-
Deposits and other accounts	463,426,602	408,059,581	37,983,628	17,036,019	347,374
Liabilities against assets subject to finance lease	16,629	2,035	4,542	10,052	-
Other liabilities	24,974,450	8,080,589	2,981,603	12,423,778	1,488,480
Deferred tax liabilities	4,462,718	-	-	3,994,053	468,665
	503,378,402	425,782,613	41,313,661	33,977,609	2,304,519
Net assets	74,340,712	(182,499,648)	91,993,833	113,094,371	51,752,156
Share capital	5,908,927				
Reserves	13,536,041				
Unappropriated profit	16,713,506				
Surplus on revaluation of assets	38,182,238				
	74,340,712				

Savings and current deposits have been classified as due upto three months. However, the bank does not expect these deposits to fall below their current level.

Notes to the Financial Statements - 2005

35. YIELD/INTEREST RATE RISK

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. The bank is exposed to interest/mark-up rate risk as a result of mismatches or gaps in the amount of interest/mark-up based assets and liabilities that mature or re-price in a given period. The bank manages this risk by matching/re-pricing of assets and liabilities. The bank is not excessively exposed to interest/mark-up rate risk as its assets and liabilities are re-priced frequently. The Assets and Liabilities Committee (ALCO) of the bank monitors and manages the interest rate risk with the objective of limiting the potential adverse effects on the profitability of the bank.

Yield/interest rate sensitivity position for on balance sheet financial instruments based on the earlier of contractual re-pricing or maturity date is as follows:

	Effective yield/ interest rate %	2005					Not exposed to yield/ interest risk
		Total	Upto three months	Exposed to Yield/ Interest risk Over 3 months to one year	Over one year to five years	Over five years	
On-balance sheet financial instruments							
Assets							
Cash and balances with treasury banks	2.02	71,196,956	26,627,704	12,998,092	-	-	31,571,160
Balances with other banks	3.13	31,019,330	27,194,127	874,796	-	-	2,950,407
Lendings to financial institutions	8.28	16,282,942	16,078,942	204,000	-	-	-
Investments	8.28	156,985,686	21,051,338	100,720,251	21,423,273	13,790,824	-
Advances	8.69	268,838,779	179,732,570	67,768,279	20,837,930	-	500,000
Other assets	-	12,894,576	-	-	-	-	12,894,576
	-	557,218,269	270,684,681	182,565,418	42,261,203	13,790,824	47,916,143
Liabilities							
Bills payable	-	1,741,156	-	-	-	-	1,741,156
Borrowings from financial institutions	2.39	8,756,847	7,078,501	155,888	70,800	-	1,451,658
Deposits and other accounts	2.19	463,426,602	311,960,307	27,170,830	-	-	124,295,465
Liabilities against assets subject to finance lease	12	16,629	2,035	4,542	10,052	-	-
Other liabilities	-	20,437,054	-	-	-	-	20,437,054
		494,378,288	319,040,843	27,331,260	80,852	-	147,925,333
On-balance sheet gap		62,839,981	(48,356,162)	155,234,158	42,180,351	13,790,824	(100,009,190)
Off-balance sheet financial instruments							
Interest rate swap (notional amount)		-	1,209,864	3,347,636	-	-	(4,557,500)
Off-balance sheet gap		-	1,209,864	3,347,636	-	-	(4,557,500)
Total Yield/Interest Risk Sensitivity Gap			(47,146,298)	158,581,794	42,180,351	13,790,824	
Cumulative Yield/Interest Risk Sensitivity Gap			(47,146,298)	111,435,496	153,615,847	167,406,671	

36. CURRENCY RISK

	2005			
	Assets	Liabilities	Off-balances sheet items	Net foreign currency exposure
..... Rupees in '000				
Pakistan Rupee	431,745,084	383,410,456	(21,991,240)	26,343,388
United States Dollar	107,749,002	105,699,078	16,183,343	18,233,267
Great Britain Pound	1,667,206	2,870,363	3,037,298	1,834,141
Euro	4,119,989	4,046,886	2,851,971	2,925,074
Japanese Yen	4,351,773	3,795,019	(36,912)	519,842
Other currencies	28,086,060	3,556,600	(44,460)	24,485,000
	145,974,030	119,967,946	21,991,240	47,997,324
	577,719,114	503,378,402	-	74,340,712

Currency risk arises where the value of financial instrument change due to changes in foreign exchange rates. In order to manage currency to manage currency risk exposure the bank enters into ready, spot, forward and swap transactions with SBP and in the inter bank market.

The bank's foreign exchange exposure comprises of forward contracts, purchases of foreign bills, foreign currencies cash in hand, balances with banks abroad, foreign placements with SBP and foreign currencies assets and liabilities. The net open position is managed within the statutory limits, as fixed by the SBP. Counter parties limits are also fixed to limit risk concentration. Appropriate segregation of duties exist between the front and back office functions while compliance with the net open position limit is independently monitored on an ongoing basis.

The liabilities in foreign currencies include a sum of Rs. 1,011 million (2004: Rs. 1,095 million) being deposits in foreign currencies of local branches against which the bank has obtained forward cover through SBP.

Notes to the Financial Statements - 2005

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

37.1 On-balance sheet financial instruments

	2005		2004	
	Book Value	Fair Value	Book Value	Fair Value
..... Rupees in '000				
Assets				
Cash and balances with treasury banks	71,196,956	71,196,956	94,446,552	94,446,552
Balances with other banks	31,019,330	31,019,330	49,784,884	49,784,884
Lendings to financial institutions	16,282,942	16,282,942	10,511,322	10,511,322
Investments	156,985,686	155,270,386	149,350,096	148,993,911
Advances	268,838,779	268,838,779	221,443,963	221,443,963
Other assets	12,894,576	12,894,576	10,353,733	10,353,733
	557,218,269	555,502,969	535,890,550	535,534,365
Liabilities				
Bills payable	1,741,156	1,741,156	7,214,671	7,214,671
Borrowings from financial institutions	8,756,847	8,756,847	11,084,790	11,084,790
Deposits and other accounts	463,426,602	463,426,602	465,571,717	465,571,717
Liabilities against assets subject to finance lease	16,629	16,629	17,058	17,058
Other liabilities	20,437,054	20,437,054	17,989,962	17,989,962
	494,378,288	494,378,288	501,878,198	501,878,198
37.2 Off-balance sheet financial instruments				
Forward purchase of foreign exchange	15,623,954	15,761,474	20,585,795	20,611,212
Forward sale of foreign exchange	36,816,486	36,954,006	19,867,414	19,886,667
Coupon swap and quanta interest rate swaps	4,557,500	4,125,307	4,400,000	4,280,235
Equity futures sold	-	-	342,037	335,164

All quoted investments have been stated at their market values. All un-quoted investments have been stated at lower of cost or realisable value, being their estimated fair values.

Fair value of loans and advances cannot be determined with reasonable accuracy due to absence of current and active market. Loans and advances are repriced frequently on market rates and are reduced for any impairment against non-performing advances determined in accordance with Prudential Regulations.

Fair value of all other assets and liabilities including long-term deposits cannot be calculated with sufficient accuracy as active market does not exist for these instruments. In the opinion of the management, fair value of these assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short term in nature or in the case of deposits are frequently repriced.

Notes to the Financial Statements - 2005

38. Segment by class of business

	Gross Advances		Deposits		Contingencies & Commitments	
	Rupees in '000	Percentage %	Rupees in '000	Percentage %	Rupees in '000	Percentage %
Chemical and pharmaceuticals	2,774,916	0.93	297,963	0.06	1,355,097	0.95
Agribusiness	14,860,424	4.96	9,946,761	2.15	81,987	0.06
Textile	56,495,604	18.87	1,073,743	0.23	5,641,729	3.97
Cement	9,124,740	3.05	299,770	0.06	3,484,339	2.45
Sugar	5,399,333	1.80	160,544	0.03	158,977	0.11
Flour	1,059,730	0.35	103,149	0.02	-	-
Rice processing	6,004,462	2.01	61,858	0.01	96,688	0.07
Shoes & leather garments	887,898	0.30	307,881	0.07	5,204	-
Automobile and transportation equipment	5,645,510	1.89	3,266,905	0.70	632,784	0.45
Financial	11,347,505	3.79	52,973,264	11.43	5,724,561	4.03
Insurance	14,578	-	264,584	0.06	-	-
Transportation	3,288,597	1.10	1,500,692	0.32	517,399	0.36
Real estate construction	2,380,712	0.80	908,231	0.20	409,397	0.29
Electronics and electrical appliances	4,509,080	1.51	685,134	0.15	1,531,724	1.08
Production and transmission of energy	1,982,340	0.66	4,760,425	1.03	4,165,769	2.93
Food and tobacco	1,346,389	0.45	316,309	0.07	46,627	0.03
Fertilizer	3,289,900	1.10	142,362	0.03	61,839	0.04
Metal products	6,410,361	2.14	209,711	0.05	4,286,453	3.02
Oil, gas, petroleum and energy	24,119,170	8.06	17,830,357	3.85	6,816,906	4.80
Telecommunication	8,435,638	2.82	11,363,783	2.45	4,320,123	3.04
Hotel and services	4,444,188	1.48	4,031,425	0.87	30,828	0.02
Public sector commodity operations	16,308,848	5.45	302,211	0.07	-	-
Individuals	40,172,541	13.42	163,711,590	35.33	1,294,528	0.91
General traders	9,272,985	3.10	10,303,964	2.22	409,165	0.29
Others	59,847,362	19.96	178,603,986	38.54	100,925,435	71.10
	299,422,811	100.00	463,426,602	100.00	141,997,559	100.00

38.1 Segment by sector

	Gross Advances		Deposits		Contingencies & Commitments	
	Rupees in '000	Percentage %	Rupees in '000	Percentage %	Rupees in '000	Percentage %
Public/Government	53,029,458	17.71	161,336,905	34.81	90,862,297	63.99
Private	246,393,353	82.29	302,089,697	65.19	51,135,262	36.01
	299,422,811	100.00	463,426,602	100.00	141,997,559	100.00

39. CREDIT RISK AND CONCENTRATION OF CREDIT RISK

Credit risk exposure in respect of earning assets and off-balance sheet financial instruments represents carrying values of assets and contingencies which could be impacted as a result of failure by the bank's counter-parties to discharge their obligations under financial instruments and cause the bank to incur financial loss.

Concentration of credit risk arises from exposures to customers having similar characteristics in terms of industry in which they are engaged, geographical location in which they operate such that their ability to discharge contractual obligations may be similarly affected by change in political, economical and other conditions. Significant concentrations of bank's risk assets by industrial and geographical sectors are set out in note 38 and 40.

Credit risk is managed in terms of lending policy, approved by the board of directors and other laid down procedures outlined in the Standard Procedures Manual and related circulars. Credit limits are established for all counter-parties after a careful assessment of their credit worthiness. An effective credit granting procedure, which requires pre-sanction evaluation of credit proposal, adequacy of security and pre-disbursement examination of charge documents has been established and managed by Risk Management Group (RMG) at Head Office. Where possible, all loans and advances are secured by acceptable form of collateral to mitigate credit risk. The RMG is also responsible for continuing review and monitoring of borrowers' accounts and effective compliance of Prudential Regulations.

The bank maintains a sound advances portfolio diversified in nature to counter the risk of credit concentration and further limits risk through diversification of its assets by geographical and industrial sector.

Cross border exposures are controlled by the bank by considering country/sovereign risk and these are updated on regular basis.

Special Assets Management Division (SAMD) of the bank is responsible for monitoring the stuck up advances. It negotiates with the borrowers and takes legal actions against the delinquent borrowers.

Notes to the Financial Statements - 2005

40. GEOGRAPHICAL SEGMENT ANALYSIS

	Profit before taxation	Total assets employed	Net asset employed	Contingencies and commitments
..... Rupees in '000				
Pakistan	17,766,595	468,504,463	65,914,738	128,745,106
Asia Pacific (including South Asia)	321,897	18,521,930	3,835,887	2,793,186
Europe	(72,444)	6,176,216	1,476,633	2,426,621
United States of America and Canada	237,625	14,851,366	1,342,981	8,025,098
Middle East	809,730	68,735,170	871,610	7,548
Africa	(7,375)	929,969	898,863	-
	19,056,028	577,719,114	74,340,712	141,997,559

41. TRUST ACTIVITIES

41.1 National Investment Trust (NIT)

Under a trust deed, the bank provides services, as a trustee to NIT and is performing functions of sale/purchase of NIT units, safe custody and maintaining unit holders accounts. The bank is keeping approximately 1.2 billion shares with market value of Rs.77,724 million (2004: Rs.61,260 million) in safe custody/Central Depository Company on behalf of NIT.

41.2 Long-term Credit Fund (LTCF)

Consequent upon the NDFC amalgamation, the bank manages on behalf of the GoP, LTCF established from the proceeds of loans disbursed by various international funding agencies for financing private sector energy development projects. Fund assets are accounted for separately from those of the bank and amounted to Rs.41 billion on December 31, 2005 (2004: Rs.45 billion). Administrative fee relating to the management of LTCF is accounted for on receipt basis. However, the bank is in process of negotiating the charge of fee in consideration of administrative services to the LTCF.

41.3 Qarz-e-Hasna Fund

The work relating to Qarz-e-Hasna Scheme was attended by Pakistan Banking Council (PBC) since inception. PBC was dissolved in January 1997. In order to fill the void created by the dissolution of PBC and in order to continue the scheme, SBP decided to entrust all funds and transfer all record relating to Qarz-e-Hasna scheme for education to the bank with the instructions to perform all work relating to the Fund.

Till December 31, 2005 SBP had transferred Rs.244 million (2004: Rs.244 million) to the bank. Assets and liabilities relating to the Fund have been treated as off-balance sheet item in the financial statements.

42. RELATED PARTY TRANSACTIONS

Related parties include bank's subsidiaries, associates, joint venture, directors and the companies under common directorship, key management personnel and employees' retirement benefit funds.

	2005	2004
Rupees in '000		
Balance outstanding at year end		
Advances to:		
Subsidiaries	572,237	632,255
Associates	1,721,189	1,674,012
Key management executives *	52,117	6,556
Debts due by company in which a director of the bank is interested as director	119,319	119,896
Placements with:		
Subsidiaries	-	118,600
Joint venture	211,414	524,868
Investments with associates/subsidiaries	27,331	27,595
Deposits from:		
Subsidiaries	317,593	536
Pension fund	2,598,358	1,694,934
Provident fund	6,665,252	4,927,090

* This includes loans extended to certain key management executives in accordance with the terms of employment.

Notes to the Financial Statements - 2005

	2005	2004
	Rupees in '000	
Borrowing from Subsidiary	249,751	-
Obligation under finance lease Subsidiary	16,284	-
Income for the year On advances/placement with:		
Subsidiaries	9,501	4,128
Associates	58,199	80,256
Joint venture	5,309	6,661
Debts due by company in which a director of the bank is interested as director	4,341	3,487
Commission received from subsidiaries	415	-
Commission received from associates	1,824	-
Expenses for the year Remuneration to key management executives Charge for defined benefit plan	54,997 2,302	42,264 2,118
On deposits of:		
Subsidiaries	359	33
Provident fund **	730,385	636,437
Commission paid to subsidiaries	3,064	3,010
Other receivables	32,111	-

** Had the interest on deposits from provident fund paid at the average rate of twenty years Government paper, interest would have been lower by Rs.189.180 million.

42.1 Although the Federal Government and the SBP held about 75.48% shares of the bank (2004: 75.48%), the transactions with these entities have not been treated as related party transactions for the purpose of this disclosure.

43. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on March 18, 2006 by the Board of Directors of the Bank.

44. GENERAL

44.1 These accounts have been prepared in accordance with the revised format of the financial statements of the banks issued by the State Bank of Pakistan through its BSD Circular No. 36 dated October 10, 2001.

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

44.3 Comparative figures have been reclassified and re-arranged as follows:

Payable on account of Government transaction of Rs.73.805 million has been reclassified in other liabilities. Previously this amount was netted off against receivable on account of Government transaction.

Demand Draft and Telegraphic Transfer account of Rs.898.998 million has been reclassified in other assets. Previously this amount was classified as advances.

Syed Ali Raza
Chairman & President

Dr. Waqar Masood Khan
Director

Syed Shafqat Ali Shah Jamote
Director

M. Zubair Motiwala
Director

Notes to the Financial Statements - 2005

Annexure 'I' as referred to in Note 9.13 to the financial statements

Details of Investments as at December 31, 2005

1.1 Government Compensation Bonds

Investee	Terms of Redemption		Rate of Interest %	2005	2004
	Principal	Interest			
Govt. Bond (Public Sector Enterprises)	01-Jun-09	Annually	6%	755,859	755,859
Govt. Bond (Heavy Mechanical Complex)	1-Mar-09	Annually	6%	385,996	385,996
Govt. Bond (Shahnawaz Bhutto Sugar Mills)	30-Sep-09	Annually	6%	56,364	56,364
Govt. Bond (Public Sector Enterprises)	1-Jul-10	Annually	9%	1,132,963	1,132,963
			6 months average of weighted average yield of T.Bills (8.56%)		
Govt. Bond (Pakistan Engineering Company)	Semi-annually	Semi-annually		92,806	139,224
Govt. Bond (Pakistan Engineering Company)	Semi-annually	Semi-annually		53,212	79,411
				2,477,200	2,549,817

1.2 Particulars of investments held in listed companies and modarabas

1.2.1. Ordinary shares

Investee Held for trading	No. of shares/certificates held		Market Value	
	2005	2004	2005	2004
			..... Rupees in '000'	
Adamjee Insurance Company Limited	-	229,700	-	15,068
Azgard Nine	28,000	-	1,302	-
Bank of Punjab	-	5,000	-	330
Callmate Telips Tellcom	50,000	-	3,983	-
DG Khan Cement	90,000	-	9,594	-
Dewan Salman Fibres Limited	-	891,887	-	16,633
Dewan Farooq Motors	50,000	0	1,670	-
Engro Chemicals (Pak) Limited	-	375,000	-	48,488
Fauji Fertilizer Company Limited	-	91,000	-	12,689
Faysal Bank Limited	-	227,500	-	9,896
Hub Power Company Limited	498,500	-	11,964	-
ICI Pakistan	50,000	-	7,025	-
Jahangir Siddiqui Company Limited	-	10,000	-	880
Maple Leaf Cement Limited	-	225,000	-	6,953
Nishat (Chunian)	36,900	-	3,151	-
Oil & Gas Development Corporation	-	468,000	-	35,077
Pakistan Oil Fields	119,200	51,000	51,017	12,577
Pakistan State Oil	170,000	412,300	70,865	132,565
Pakistan Petroleum Limited	100,000	756,000	21,025	108,981
Pakistan Telecommunication Limited	-	575,000	-	25,415
Pioneer Cement Limited	-	225,000	-	4,151
Sui Northern Gas Pipeline Company Limited	-	437,000	-	25,826
Sui Southern Gas Pipeline Company Limited	-	150,000	-	3,885
Telecard Limited	-	50,000	-	680
TRG Pakistan Limited	-	25,000	-	321
Worldcall Broad Band	-	25,000	-	253
			181,596	460,668
Available-for-sale				
Accord Textile Mills Limited	-	6,500	-	22
Al-Ghazi Tractors Limited	33,000	30,000	6,501	5,189
Al-Noor Sugar Mills Limited	255,300	368,300	5,042	3,978
Askari Commercial Bank Limited	-	-	-	-
Askari Leasing Limited	44,350	42,000	1,464	1,283
Baig Spinning Mills Limited	662,050	662,050	6,289	5,296
Bank Al Habib	19,000	72	1	3
BOC Pakistan	25,486	45,786	4,473	8,514
Bolan Casting Limited	714,500	714,500	50,015	55,731
Chenab Limited	736,000	-	15,456	-
Cherat Cement	-	2,162	-	161
Cherat Papersack Limited	190,800	132,500	12,593	11,329
Clariant Pakistan Limited	107,470	117,670	20,366	24,711
Cynamid (Wyeth Pakistan) (Face value: Rs.100 each)	1,544	1,830	3,026	2,406
Dandot Cement Limited	160,000	160,000	-	-
Dewan Automotive Engg. (formerly Allied Motors Limited)	-	1,001,333	-	16,070
Dewan Hattar Cement Limited (formerly Saadi Cement Limited)	354,000	354,000	5,717	4,602
Dewan Salman Fibres Limited	9,644	9,592	154	179
DG Khan Cement	-	1,650	-	90
Escort Investment Bank Limited	1,050,000	1,000,000	16,958	14,750
Faran Sugar Mills Limited	267,500	284,500	4,227	4,822
Fauji Fertilizer Company Limited	5,897,260	4,754,934	807,925	663,076
Frontier Ceramics Limited	1,370,600	1,370,600	8,361	21,930
First Dawood Investment Bank Limited (formerly: General Leasing Modaraba 1st.)	17,437	281,250	425	-
Glaxosmithkline (Glaxo Welcome)	108,848	182,179	20,273	32,974
Standard Chartered Modaraba (formerly: First Grindlays Modaraba)	1,153,597	1,204,664	24,918	45,657
Guardian Leasing Modaraba	631,300	631,300	5,461	5,776
Habib Bank Modaraba 1st.	265,420	697,920	2,893	9,213
Haji Mohammad Ismail Mills	1,683,150	1,683,150	11,445	13,718
Balance carried forward			1,033,983	951,480

Notes to the Financial Statements - 2005

Particulars of Investments held in listed companies and Modarabas

Investee

Investee	No. of shares/certificates held		Market Value	
	2005	2004	2005	2004
Available-for-sale			Rupees in '000'	
Balance brought forward			1,033,983	951,480
Hala Spinning Mills Limited	1,639,500	1,639,500	-	-
Harum Textile	138,000	138,000	-	-
Hub Power Company Limited	10,639,000	11,596,000	255,336	372,232
Honda Atlas Cars	1,000	-	114	-
ICI Pakistan Limited	-	87	-	8
Inter Asia Leasing Company Limited	50,000	50,000	83	113
Junaid Cotton Mills Limited	32,800	32,800	-	-
Kaisar Arts & Krafts	850,000	850,000	468	-
KASB Bank Limited	760	14,835	11	204
Khairpur Sugar Mills Limited	3,088,000	3,088,000	-	-
Kohinoor Energy Limited	-	153,500	-	4,789
Kohinoor Weaving Mills Limited	350,661	358,162	13,592	16,834
Libaas Textile Limited	250,000	250,000	-	-
Mehran Modaraba 1st.	1,000	117,960	2	295
Mehran Sugar Mills Limited(Face value: Rs.5 each)	35,500	116,500	632	2,010
Millat Tractors Limited	339,300	261,000	100,263	63,162
Mirza Sugar Mills Limited	900,000	900,000	3,015	3,690
Modaraba Al-Mali	23,004	167,004	213	1,637
Mohib Exports Limited	425,600	-	-	-
Muslim Ghee Mills	-	181,000	-	1,810
Myfip Video Industries	-	537,300	-	5,465
National Refinery Limited	-	1,024,717	-	311,207
National Development Leasing Corporation	174,373	174,373	6,077	4,447
Nishat Mills	50,000	-	5,675	-
Oil & Gas Development Corporation	1,529,318	425,418	180,460	31,885
Orix Leasing Pakistan Limited	182,735	158,900	5,336	5,085
Packages Limited	153,167	153,168	30,940	30,457
Pakistan Engineering Company Limited	135,240	135,240	12,983	10,143
Pakistan Oilfields Limited	220,500	80	94,374	20
Pakistan Reinsurance	27,500	-	2,393	-
PTA Pakistan Limited	-	262	-	3
Pakistan State Oil Company Limited	320,969	670,169	133,796	192,171
Dewan Cement Ltd. (formerly Pakland Cement Ltd.)	1,000	1,000	18	22
Pangrio Sugar	600,400	600,400	-	-
Parke Davis Company Limited	-	1,400	-	1,372
Pakistan International Airlines Corporation "A-class"	20,260,813	20,260,813	249,208	277,573
Pakistan National Shipping Corporation	386,236	386,236	37,195	25,453
Pakistan Telecommunication Company Limited	3,532,300	8,915,800	231,012	394,078
Punjab Oil Mills Limited	307,850	307,850	7,542	7,819
Redco Textile Mills Limited	1,300	5,300	-	-
Saif Textile Mills Limited	6,308	7,308	170	256
Sakrand Sugar Mills Limited	3,801,600	3,801,600	15,967	18,058
Saudi Pak Commercial Bank Limited	-	154,500	-	2,294
Searle Pakistan Limited	129,780	125,699	5,386	5,631
Shahmurad Sugar Mills Limited (Face value: Rs.5000 each)	47,300	287,300	473	3,261
Shell Pakistan Limited	272,562	250,250	215,869	128,991
Siemens (Pakistan) Engineering Company Limited	200,000	200,000	175,000	118,790
Sitara Chemicals Industries Limited	118,894	118,894	16,823	12,900
Soneri Bank Limited	-	10,312	-	402
Sui Northern Gas Pipeline Company Limited	5,842,209	5,842,209	397,270	345,274
Sui Southern Gas Pipeline Company Limited	758,694	1,241,194	20,295	32,147
Sunshine Cloth Mills	150,000	-	-	-
Sunshine Cotton Mills Limited	281,250	281,250	-	478
Taj Textile Mills Limited	375	1,875	1	10
TRG Pakistan Limited	6,773,000	6,773,000	89,742	87,031
Twakkal Garments Industries Limited	112,500	112,500	-	-
Unilever (Pakistan) Limited(Face value: Rs.50 each)	140,000	140,000	248,500	206,500
Unity Modaraba	100,000	1,000,000	-	-
			3,509,217	3,677,487
			3,771,813	4,138,155

All shares have a face value of Rs.10 each unless otherwise mentioned.

Cost of the above held-for-trading and available for sale investments amounted to Rs.184 million (2004: Rs.449 million) and Rs.1,306 - million (2004: Rs.1042 million).

Notes to the Financial Statements - 2005

1.2.2 Particulars of Investments held in un-listed companies

1.2.2.1 Ordinary Shares - Holding 10% and above

Investee	Percentage of holding	No. of Shares held	Cost of Investment		Break-up value of investment	Based on accounts as at	Name of Chief Executive
			2005	2004			
----- Rupees in '000 -----							
Avari Hotel Limited	12.7%	9,459,200	94,592	94,592	(6,338)	June 30,2000	Mr. Byram D Avari
Digri Sugar Mills Limited	19.1%	2,000,000	4,063	4,063	8,126	Sep 30,1999	Mr. Naveed Ahmad Javeri
Engine System	16.5%	788,500	-	-	(10,132)	June 30,1998	Mr. Javed Burki
First Women Bank Limited	10.6%	2,532,000	21,100	21,100	50,737	Dec. 31, 2004	Ms. Zareen Aziz
Gelcaps Pakistan Limited	14.6%	2,000,000	4,665	4,665	24,265	June 30,2005	Mr. Sadruddin Hashwani
Intech International	18.6%	275,000	-	-	..... Not Available.....		Mr. Hassan Zaidi
Investment Corporation of Pakistan (Face value: Rs.100 each)	19.9%	398,000	36,337	36,337	262,317	June 30,2005	Mr. Tariq Iqbal Khan
Pakistan Agriculture Storage Service Corp. (Face value: Rs.1,000 each)	18.3%	5,500	5,500	5,500	109,831	March 31,2003	Maj. General Fahim Akhter Khan
Precision Engineering	16.8%	15,100	-	-	..... Not Available.....		Mr. Zaheer Hussain
Resources and Engineering Management Corporation	10.0%	66,125	-	-	(484,696)	June 30,2005	Mr. Shafaat Ahmed
Safa Rice Mills Limited	15.8%	450,000	-	-	..... Not Available.....		Mr. Pervaiz Alam
Sigma Knitting Mills	14.1%	500,000	-	-	(6,793)	June 30,1999	Mr. Nasir Sadruddin
Pakistan Textile City		5,000,000	50,000	25,000	50,014	June 30,2005	
			216,257	191,257			

1.2.2.2 Ordinary Shares - Holding below 10%

Investee	No. of Shares held	Cost of Investment		Break-up value of investment	Based on accounts as at	Name of Chief Executive
		2005	2004			
----- Rupees in '000 -----						
Al Ameen Textile	32,800	328	328		..... Not Available.....	
Al Zamin Modarba Management	140,000	1,000	1,000			
Arabian Sea Country Club	650,000	-	-	4,067	June 30, 2002	Mr. Aslam Mohsin Ali
Attock Textile Mills Limited	100,000	1,000	1,000	(1,412)	Sept. 30, 1998	Mr. Arshad Ali Chaudhry
Brikks Pvt Limited	39,050	-	-		..... Not Available.....	
Equity Participation Fund (Face value: Rs.100 each)	28,000	2,800	4,000	18,644	June 30, 2004	Mr. Shahid Akhter
F.T.C. Management	50,000	250	250	1	June 30,2005	Mr.Rehan-ul Ambia Riaz
Fauji Oil Terminals	1,088,600	10,886	10,886	31,471	June 30,2005	Col (R) Ali Abbas
Fortune Securities Limited	500,000	5,000	5,000	10	June 30,2005	Mr. Kamran Ahmed Khalili
Frontier Textile Mills Limited	50,000	500	500	272	Sept 30,2002	Not available
Gulistan Power Generation Limited	220,000	2,200	2,200	8,096	June 30,2000	Mr. Abdul Shakoor
Hazara Woolen Mills Limited	20,000	200	200		..... Not Available.....	
Insecta Pakistan Limited	50,000	-	-	315	June 30,1997	Mr. Syed Tauqeer Haider
Indus Sugar	594,807	5,948	5,948	(4,829)	Sept 30,2003	Not available
Kashmir Textile	82,500	-	1,650		..... Not Available.....	
Kronos Corporation		-	577		..... Not Available.....	
Kaytex Mills Limited	377,800	3,778	3,778		..... Not Available.....	
Mohib Textile Mills Limited	125,600	-	-		..... Not Available.....	
National Construction Limited	50,000	-	500	597	June 30, 2005	Mr. Ali Mohammad Shaikh
National Institute of Banking and Finance	200,000	-	20,000	3,481	June 30, 2005	Mr. Kazi Abdul Mukhtar
National Film Development Corporation Limited	10,000	-	-	(1,827)	June 30, 2000	Mr. Sajjad Haider
National Industry Cooperative Bank of Gujrat	10	-	-		..... Not Available.....	
National Institution of Facilitation Technology (Pvt) Ltd.	353,029	1,526	1,526	7,421	June 30, 2004	Mr. M. M. Khan
National Investment Trust (Face value: Rs.100 each)	52,800	100	100	130,081	June 30, 2005	Mr. Tariq Iqbal Khan
National Woolen Mills Limited	18,300	183	183		..... Not Available.....	
Newyork Poly Clinic of Karachi	220,133	-	-	(241)	June 30,1998	Mr. Akhter Aziz khan
Newshehra Engineering Works Limited	4,950	41	41		..... Not Available.....	
Pakistan Paper Corporation Limited	37,250	373	373		..... Not Available.....	
Pakistan Tourism Development Corporation	100,000	100	100	24,983	June 30,1996	Not available
Pakistan Export Finance Guarantee Agency Limited	1,152,938	11,529	11,529	79,281		
People Steel Mills Limited	1,076,880	3,276	3,276		..... Not Available.....	
Phalia Sugar Mills Limited	1,087,949	3,111	44,031	3,111	Sept. 30, 2002	Ch. Manzoor Ellahi
Qadri Textile Mills Limited	50,000	-	500		..... Not Available.....	
Refrigerator Manufacturing Company Limited	45,737	4,589	4,589		..... Not Available.....	
Rusch Power Pakistan Limited	39,729,000	132,888	132,888	5	June 30,2005	Mr. Abdul Lateef Galadari
Ruby Rice and General Mills Limited	75,000	750	750		..... Not Available.....	
SARF	5,000	287	287		Dec 31,04	Mr.Kandia Balendra
Shoaib Capital	100,000	272	272	544	June 30,2000	Not available
SME Bank Limited	4,590,936	26,950	26,950	72,032	March 31,2005	Mr. Mansur Khan
Star Salica Industries Limited	26,650	267	267		..... Not Available.....	
Sunshine Cloth Mills	150,000	-	-		..... Not Available.....	
Transmobile Limited	644,508	-	-	(44)	June 30,1997	Mr. Javed Burki
Zafar Textiles Mills Ltd.	247,100	256	258		..... Not Available.....	
Zulsham Engineering Works Limited	3,300	330	330		..... Not Available.....	
		217,607	286,067			
		433,864	477,324			

All shares have a face value of Rs.10 unless otherwise mentioned.

Notes to the Financial Statements - 2005

1.3 Particulars of Investments held in units of mutual funds

	No. of shares / certificates held		Market Value/cost	
	2005	2004	2005	2004
			..... Rupees in '000	
Listed:				
ABAMCO Compostie Fund	2,500,000	2,500,000	23,875	21,250
ABAMCO Stock Market Fund	131,003	131,003	2,103	1,546
AKD Index Tracker Fund	4,159,350	-	38,058	-
Atlas Income Fund	50,000	50,000	26,297	25,779
BSJS Balanced Fund	1,237,500	1,237,500	16,706	12,561
Faysal Balance Growth Fund	500,000	500,000	63,175	52,025
First Dawood Mutual Fund	4,575,704	-	42,783	-
Meezan Islamic Fund-Type-A Series (nominal value: Rs.50 each)	1,000,400	1,000,400	75,300	62,265
Pakistan Capital Market Fund	4,575,500	4,900,000	67,854	49,980
Pakistan Strategic Allocation Fund	2,500,000	2,500,000	29,250	24,500
PICIC Energy Fund	1,500,000	-	-	-
PICIC Growth Fund (formerly: Investment Corporation of Pakistan - SEMF)	7,168,875	8,816,800	355,576	468,613
PICIC Investment Fund	-	153,806	-	2,353
Unit Trust of Pakistan (ABAMCO) (nominal value: Rs.5,000 each)	15,000	15,000	121,860	112,424
Cost of the above investment amounted to Rs. 582 million (2004: Rs. 547 million)			862,837	833,296
Unlisted:				
Atlas Stock Market Fund	100,000	100,000	62,882	51,208
Meezan Balance Fund	5,000,000	5,000,000	48,750	50,000
			111,632	101,208
			974,469	934,504

All certificates have a nominal value of Rs.10 per unit unless otherwise metioned.

1.4 Particulars of Investments held in Preference shares

	Cumulative/ Non- cumulative	Rate	No. of certificates held		Market Value/cost	
			2005	2004	2005	2004
					..... Rupees in '000	
Listed:						
Chenab Limited	Cumulative	9.25%	10,000,000	10,000,000	90,700	100,000
Cost of the above investment amounted to Rs.90.7 million (2004: Rs.100 million).						
Unlisted:						
Dalda Food	Cumulative	8.75%	9,300,000	9,300,000	93,000	93,000
Jamshoro Joint Venture limited	Cumulative	15.00%	2,500,000	2,500,000	25,000	25,000
Pak Elektron Limited	Cumulative	9.50%	10,000,000	10,000,000	100,000	100,000
South Asia Regional Fund (Face value: USD 1 each)	Cumulative	8.00%	1,093	1,907	65,500	142,025
Masood Textile Mills	Floating	11.00%	10,000,000	-	50,000	-
					333,500	360,025
					424,200	460,025

All shares have a face value of Rs.10 each unless otherwise mentioned.

Notes to the Financial Statements - 2005

1.5 Debentures, Bonds, Participation Term Certificates and Term finance certificates

1.5.1 Term finance certificates

Investee	Rate of interest	Profit payment	Maturity	No. of certificates held		Market value/cost	
				2005	2004	2005	2004
Listed						Rupees in '000	
Al - Zamin Leasing Modoraba	* 9.5%	Half yearly	2.06.2008	1,902	-	9,510	-
Azgard Nine Ltd	* 11.45%	Half yearly	17.8.2012	20,000	-	100,000	-
	6 month Kibor + 2.4 %						
Bank Al-Habib Limited	* 10.55%	Half yearly	28.06.2012	39,984	36,352	199,920	181,759
	6 month Kibor + 1.5 %						
Dewan Salman Fibre Limited	* -	-	-	-	4,992	-	25,876
Sui Southern Gas Company Limited	* 13.00%	Half yearly	26.05.2006	4,540	13,619	24,288	72,121
	3-5 year discount rate 9% + 1.1%						
Soneri Bank Limited	* 10.65%	Half yearly	31.3.2013	26,995	-	134,973	-
	6 month Kibor + 1.6 %						
United Bank Limited	* 10.39%	Half yearly	16.06.2012	16,903	16,909	84,513	82,051
	8 year PIB Reuter Page PKRV@8.62%						
						553,204	361,807

All term finance certificates have a face value of Rs.5,000 each unless otherwise mentioned.

Notes to the Financial Statements - 2005

Term finance certificates - Unlisted

Investee	Rate of interest	Profit payment	Maturity	No. of certificates held		Market value/cost	
				2005	2004	2005	2004
..... Rupees in '000							
Ados Pakistan Limited	-	-	-	-	14	-	706
Agro Dairies Limited	22.00%	Overdue	Overdue	20	20	4,237	4,237
Al-Azhar Textile Mills Limited	22.00%	Overdue	Overdue	14	14	5,168	6,059
Al-Barkat Industries Limited	-	-	-	-	1	-	1,060
Al-Fahm Textile Mills Limited	22.00%	Overdue	Overdue	14	14	1,907	2,880
Al-Qaim Textile Mills Limited	22.00%	Overdue	Overdue	16	16	357	1,296
Anwar-Zaib Cement Industries Limited	-	-	-	-	1	-	3,446
Apex Fabrics Limited	22.00%	Overdue	Overdue	16	16	2,640	2,640
Aqma Textile Mills Limited	22.00%	Overdue	Overdue	14	14	4,466	5,485
Aruj Textile Mills Limited	22.00%	Overdue	Overdue	5	5	493	986
Aswan Tentage & Canvas Mills Limited	22.00%	Overdue	Overdue	1	1	3,643	3,643
Azeem Tapes (Pvt) Limited	22.00%	Overdue	Overdue	34	34	2,582	4,429
Bachani Sugar Mills Limited	22.00%	Overdue	Overdue	28	28	35,896	35,896
Baluchistan Cotres Limited	22.00%	Overdue	Overdue	22	22	2,745	3,064
Bankers Equity Limited	22.00%	Overdue	Overdue	10	10	104,449	104,449
Bela Chemical Limited	22.00%	Overdue	Overdue	24	24	24,595	24,595
Bentonite Pak Limited	22.00%	Overdue	Overdue	31	31	3,417	3,417
Blue Star Spinning Mills Limited	22.00%	Overdue	Overdue	17	17	2,252	4,312
Bosicor Pakistan Ltd	* 13.00%	Half yearly	12.2.2010	20	-	100,000	-
	6 month Kibor + 6.79 %						
Brother Steel Limited	22.00%	Overdue	Overdue	17	17	3,094	3,094
Cast-N-Link Product Limited	22.00%	Overdue	Overdue	16	16	2,549	2,549
Chaudhry Wire Rope Industries Limited	22.00%	Overdue	Overdue	14	14	1,565	1,565
Chiniot Textile Mills Limited	22.00%	Overdue	Overdue	6	6	1,185	5,080
Chiragh Sun Engg Limited	22.00%	Overdue	Overdue	6	6	2,486	3,470
Dadabhoi Cement Limited	-	-	-	-	16	-	8,077
Danneman Fabrics Limited	22.00%	Overdue	Overdue	14	14	4,584	4,584
Dawood Leasing Company Limited	* 10.75%	Half yearly	17.09.2006	5,000	5,000	25,000	27,738
	Discount Rate 9% + 1.75%						
Elec Inf & Energy System Limited	-	-	-	-	19	-	5,296
Faruki Pulp Mills Limited	22.00%	Overdue	Overdue	14	14	17,550	17,550
Frontier Ceramics Limited	22.00%	Overdue	Overdue	46	46	3,563	4,858
Frontier Dextrose Limited	-	-	-	-	24	-	1,130
General Dairies & Food Limited	22.00%	Overdue	Overdue	6	6	1,350	1,875
Glorex Textile Mills Limited	22.00%	Overdue	Overdue	1	1	924	5,640
Gulistan Textile Mills Limited.	* 14.00%	Half yearly	29.08.2006	3,331	6,661	16,653	35,618
	SBP Discount Rate + 2%						
Gypsum Corporation Limited	22.00%	Overdue	Overdue	10	10	900	900
Haral Textile Mills Limited	-	-	-	-	14	-	2,743
Hospitex International Limited	22.00%	Overdue	Overdue	16	16	511	511
Hub Textile Mills Limited	22.00%	Overdue	Overdue	14	14	3,887	3,887
Hussain Beverage Industries Limited	-	-	-	-	18	-	5,906
Inayat Textile Mills Limited	22.00%	Overdue	Overdue	13	13	-	2,210
Indus Sugar Mills	22.00%	Overdue	Overdue	-	-	10,390	11,699
Jamshoro Joint Venture	* 9.35%	Half yearly	15.4.2009	9	-	39,375	-
	(Face value of Rs. 5,000,000)						
	PIB 5 year latest cut off yield						
Jehangir Siddiqui & Company Limited	* 10.55%	Half yearly	17.05.2014	39,976	39,992	199,880	199,960
	6 month Kibor + 1.5 %						
Kamal Ghee & Allied Industries Ltd.	22.00%	Overdue	Overdue	14	14	4,238	4,238
Kashmir Polytex Limited	22.00%	Overdue	Overdue	16	16	1,483	1,483
Khairpur Sugar Mills Limited	22.00%	Overdue	Overdue	28	28	5,128	8,394
Kiran Sugar Mills Limited	22.00%	Overdue	Overdue	24	24	10,914	11,600
Kohinoor Fabrics Limited	-	-	-	-	22	-	641
Larr Sugar Mills Limited	22.00%	Overdue	Overdue	14	14	12,688	13,245
Latif Bawany Textile Mills Limited	22.00%	Overdue	Overdue	38	38	2,380	2,380
Balance carried forward						671,124	610,521

Notes to the Financial Statements - 2005

Term finance certificates - Unlisted

Investee	Rate of interest	Profit payment	Maturity	No. of certificates held		Market value/cost	
				2005	2004	2005	2004
						Rupees in '000	
Balance Brought forward						671,124	610,521
Malik Food Industries Limited	22.00%	Overdue	Overdue	11	11	2,472	2,472
Minaco Fabrics Limited	22.00%	Overdue	Overdue	14	14	7,350	7,350
Munalisa Fruit Juices	-	-	-	-	14	-	3,908
Mumtaz Shahbaz Textile Mills Limited	22.00%	Overdue	Overdue	14	14	1,500	1,500
Munawar Engineering Company Limited	22.00%	Overdue	Overdue	28	28	2,043	2,193
Munro & Millar Mills Limited	22.00%	Overdue	Overdue	20	20	1,113	1,113
National Fructose Company Limited	22.00%	Overdue	Overdue	14	14	1,450	1,714
National Tiles & Ceramics Limited	22.00%	Overdue	Overdue	16	16	941	2,469
Nishat Mills Limited	* 9.84%	Half yearly	29.08.2008	149,880	149,940	749,400	786,136
Weighted Average of last 3 cut off rate 6 month T-Bills 8.1388% + 1.7%							
Novelty Fabric Processing Limited	22.00%	Overdue	Overdue	38	38	13,870	17,255
Pak German Pre-Fabs Limited	-	-	-	-	24	-	6,046
Pak Pattan Dairies Limited	22.00%	Overdue	Overdue	14	14	3,146	3,306
Pak Punjab Carpet Limited	-	-	-	-	1	-	857
Pakistan International Airlines Corp. Limited	* 9.50%	Half yearly	26.02.2011	682,473	699,979	3,412,364	3,499,895
SBP Discount Rate + 50 bps							
Pakistan Laminates Limited	22.00%	Overdue	Overdue	1	1	95	95
Pakistan Services Limited	* 11.25%	Half yearly	16.09.2008	28,611	33,387	143,057	171,924
BR + 2.5% SBP Discount Rate 9%							
Dewan Cement Ltd. (formerly Pak Land Cement)	11.55%	Half yearly	15.7.2013	26	13	313,052	341,998
6 month Kibor + 2.5 %							
Pangrio Sugar Mills Limited	22.00%	Overdue	Overdue	16	16	2,057	2,057
Peshawar Pipe Mills Limited	-	-	-	-	40	-	1,021
Pirjee Weaving Mills Limited	22.00%	Overdue	Overdue	16	16	857	857
Prime Commercial Bank Limited	* 10.95%	Half yearly	08.12.2012	21,996	22,000	109,978	110,000
6 month Kibor + 1.9 %							
Prometals Limited	22.00%	Overdue	Overdue	20	20	763	1,526
Qand Ghar (Pvt) Limited	22.00%	Overdue	Overdue	2	2	2,706	21,966
Qand Ghar Sugar Mills Limited	22.00%	Overdue	Overdue	14	14	7,915	7,915
Rai Textile Mills Limited	22.00%	Overdue	Overdue	6	6	510	1,020
Raja Weaving Mills Limited	-	Overdue	Overdue	14	14	3,831	3,831
Regency Textile Mills Limited	22.00%	Overdue	Overdue	24	24	6,081	6,081
Rehman Sharif Textile Mills Limited	22.00%	Overdue	Overdue	14	14	973	973
Reliance Export (Pvt) Ltd (Face value of Rs. 10,000,000)	* 11.55%	Half yearly	13.7.2013	120	-	1,200,000	-
6 month Kibor + 2.5 %							
Dewan Hattar Cement Ltd. (formerly Saadi Cement Ltd.)	11.55%	Half yearly	15.7.2013	26	13	972,037	1,040,256
6 month Kibor + 2.5 %							
Sarela Cement Limited	22.00%	Overdue	Overdue	32	32	6,748	10,259
Scan Recycling (Pak) Limited	22.00%	Overdue	Overdue	17	17	774	817
Seri Sugar Mills Limited	22.00%	Overdue	Overdue	24	24	5,423	6,095
Shah Jewana Textile Mills Limited	22.00%	Overdue	Overdue	26	26	104	776
Shazeb Industries Limited	22.00%	Overdue	Overdue	14	14	2,202	2,202
Sialkot Dairies	22.00%	Overdue	Overdue	13	13	2,320	2,320
Silverland Textile Mills Limited	22.00%	Overdue	Overdue	6	6	1,650	1,650
Sind Textile Industries	22.00%	Overdue	Overdue	15	15	7,445	15,163
Sinsas Enterprises Limited	22.00%	Overdue	Overdue	2	2	4,302	6,046
Solve Tech Limited	-	-	-	-	14	-	3,413
Star Silica Internationa	22.00%	Overdue	Overdue	16	16	1,799	1,799
Sunflo Juices Limited	22.00%	Overdue	Overdue	28	28	7,686	7,686
Taj Syringes (Pvt) Limited	22.00%	Overdue	Overdue	36	36	5,606	6,615
Tanocraft Limited	22.00%	Overdue	Overdue	22	22	1,315	1,315
Tawakkal Garments Industries Limited	22.00%	Overdue	Overdue	16	16	759	759
Tharparkar Sugar Mills Limited	22.00%	Overdue	Overdue	5	5	23,332	23,332
Turbo Tubes Limited	22.00%	Overdue	Overdue	2	2	122	122
Ultra Engineering Industries Limited	22.00%	Overdue	Overdue	16	16	1,211	1,211
Waleed Leather Industries Limited	22.00%	Overdue	Overdue	38	38	2,196	2,344
Zamir Textile Mills Limited	22.00%	Overdue	Overdue	14	14	7,516	12,891
						7,713,196	6,765,070

* Cost of investment in TFCs marked to market amounted to Rs.6,547 million (2004: Rs.5,162 million).

Notes to the Financial Statements - 2005

1.5.2 Debentures

Investee	Term of Redemption		Rate of Interest %	2005	2004
	Principal	Interest		Cost Rupee in '000	
Aaj Textile Mills Limited	Overdue	Overdue	14%	1,005	1,005
Aaj Textile Mills Limited	Overdue	Overdue	12.5%	270	270
Ajax Industries Limited	Overdue	Overdue	11%	1,397	1,397
Ajax Industries Limited	Overdue	Overdue	14%	269	269
Ali Asbestose Industries Limited	Overdue	Overdue	14%	175	930
Ali Asbestose Industries Limited	Overdue	Overdue	11%	1,510	1,510
Alleey Hosiery Mills Limited	Overdue	Overdue	-	-	200
Allied Ghee Industries Limited	Overdue	Overdue	14%	1,141	1,141
Allied Ghee Industries Limited	Overdue	Overdue	Interest free	572	572
Allied Marbles Industries	Overdue	Overdue	14%	23	23
Allied Marbles Industries	Overdue	Overdue	Interest free	15	15
Aslo Electrical Industries	Overdue	Overdue	11%	2,270	2,270
Aslo Electrical Industries	Overdue	Overdue	14%	6	281
Attock Textile Mills Limited	Overdue	Overdue	14%	432	863
Azad Kashmir Mineral Development Corporation	Overdue	Overdue	12%	3,286	3,288
Azad Kashmir Mineral Development Corporation	Overdue	Overdue	14%	1,998	1,998
Azad Kashmir Mineral Development Corporation	Overdue	Overdue	12.5%	2,336	2,336
Carbon Dioxide Limited	Overdue	Overdue	11%	495	495
Carbon Dioxide Limited	Overdue	Overdue	14%	95	95
Chillya Corrugated Board	Overdue	Overdue	14%	318	549
Chillya Corrugated Board	-	-	-	-	453
Colony Textile Mills Limited	Overdue	Overdue	Interest free	184	184
Consolidated Spinning & Textile Mills Limited	Overdue	Overdue	14%	180	180
Consolidated Sugar Mills	Overdue	Overdue	14%	1,875	1,875
Daaman Oil Mills	-	-	-	-	170
Daaman Oil Mills	Overdue	Overdue	14%	204	580
Effef Industries Limited	Overdue	Overdue	14%	1,799	1,799
Effef Industries Limited	Overdue	Not Applicable	Interest free	3,828	3,828
Electric Lamp Manufacturing	Outstanding	Overdue	11%	75	75
Electric Lamp Manufacturing	Overdue	Overdue	14%	150	150
Hassan Tanneries Limited	Outstanding	Outstanding	14%	437	437
Hassan Tanneries Limited	Outstanding	Outstanding	12.5%	58	58
Hazara Woolen Mills.	Overdue	Overdue	14%	1,148	1,148
Hydri Gas Limited	Outstanding	Outstanding	11%	47	47
Hydri Gas Limited	Outstanding	Outstanding	14%	50	50
Junaid Cotton Mills Limited	Overdue	Overdue	12.5%	165	165
Junaid Cotton Mills Limited	Overdue	Overdue	14%	990	990
Karachi Development Authority	Overdue	Overdue	12.5%	156,034	156,034
K.J. Vegetable Oil Mills	-	-	-	-	27
Khyber Textile Mills Limited	Overdue	Overdue	14%	1,000	1,000
Lahore Dyeing & Printing Mill	Overdue	Overdue	11%	1,013	1,013
Lahore Engineering Foundry works	Regular	Regular	5%	1,160	1,472
Mansoor Textile Mills	Overdue	Overdue	14%	510	510
Mehr Text. Mills Limited	-	-	-	-	700
Mehr Text. Mills Limited	-	-	-	-	750
Milly Leather Ind.Limited	-	-	-	-	1,244
Morgah Valley Limited	Overdue	Overdue	11%	400	400
Morgah Valley Limited	Overdue	Overdue	14%	160	160
National Woolen Mills	Overdue	Overdue	14%	134	134
Pakistan Paper Corporation	Overdue	Overdue	11%	506	506
Pakistan Polypropylene Packages Limited	Overdue	Overdue	14%	2	240
Printing Corporation of Frontier	-	-	-	-	12
Printing Corporation of Frontier	-	-	-	-	23
Progressive Tobacco Co.	Overdue	Overdue	14%	144	175
Qadri Textile Mills Limited	Overdue	Overdue	14%	489	489
Regal Ceramics Limited	Overdue	Overdue	14%	105	105
Rising Sun Knitwear Industries	Overdue	Overdue	14%	57	57
Rose Textile Mills Limited	Overdue	Overdue	14%	740	740
Saleem Tanneries Project 1	Overdue	Overdue	12.5%	1,302	1,366
Saleem Tanneries Project 2	-	-	-	-	712
Sarhad Bricks Limited	Overdue	Overdue	11%	543	543
Sarhad Bricks Limited	Overdue	Overdue	14%	102	102
Balance carried forward				193,204	200,210

Notes to the Financial Statements - 2005

Investee	Terms of Redemption		Rate of Interest %	2005	2004
	Principal	Interest		Cost Rupee in'000	
Balance brought forward				193,204	200,210
SDA-A/C Cold Storage Haripur -1	Overdue	Overdue	12%	955	955
SDA-A/C Cold Storage Haripur -2	Overdue	Overdue	12.5%	1,170	1,170
SDA-A/C Cold Storage Mardan -1	Overdue	Overdue	12%	1,278	1,278
SDA-A/C Cold Storage Mardan -2	Overdue	Overdue	12.5%	878	878
SDA-A/C Cold Storage Peshawar -1	-	-	-	-	1,341
SDA-A/C Cold Storage Peshawar -2	-	-	-	-	1,102
Shafaq Lamp Manufacturing Corporation	Overdue	Overdue	11%	368	368
Shafaq Lamp Manufacturing Corporation	Overdue	Overdue	14%	83	83
Shahdin Limited	Overdue	Overdue	14%	163	634
Shahyar Textile Mills Limited	Overdue	Overdue	14%	280	280
Spinzer Towel Industries Limited	Overdue	Overdue	12.5%	200	200
Spinzer Towel Industries Limited	Overdue	Overdue	14%	175	175
Sun Publications Limited	Overdue	Overdue	13.5%	178	178
Sun Shine Jute Mills	-	-	-	-	3,010
Sun Shine Jute Mills	-	-	-	-	990
United Sugar Mills	-	-	-	-	29,036
Zulsham Engineering Works Limited	Overdue	Overdue	14%	236	239
				199,168	242,127

Notes to the Financial Statements - 2005

1.5.3 Participation Term Certificate

Investee	Number of certificates	Rate of Interest	Paid - up value per certificate Rupees	Cost Rupee in '000	
				2005	2004
Ali Paper Industries Limited	13	17%	261,000	3,393	3,393
Alipure Jute Mills Limited	53	17%	172,113	7,081	9,122
American Marbles Limited	12	17%	104,167	1,250	1,250
Azmat Oil Industries Limited	1	17%	226,000	226	226
Annis Garments Limited	12	17%	32,917	395	395
Bhawalpur Board Mills Limited	14	17%	137,000	1,918	1,918
Balochistan Clay Products	17	17%	227,176	2,504	3,862
Bela Chemicals limited	1	17%	10,500,000	10,500	10,500
Bela Ghee Mills Limited	14	17%	191,214	1,066	2,677
Calcium Limited	1	17%	300,000	300	300
Cotex Industries Limited	14	17%	16,357	229	229
Crystal Chemicals Limited	15	17%	259,800	3,897	3,897
Dadabhoy Cement Limited	1	17%	11,601,000	11,601	11,601
Delta Tyre & Rubber Co.	7	17%	268,714	1,881	1,881
Farooq Compost Fertilizer	-	-	-	-	1,888
Frontier Ceramics Limited	10	17%	226,200	2,262	2,262
Gem Industries Limited	12	17%	126,417	1,518	1,517
Gypsum Corporation Limited	32	17%	32,594	1,043	1,043
Ittehad Industries Limited	1	17%	600,000	451	600
Jubilee Paper Board Mills	16	17%	431,938	6,761	6,911
Kamal Enterprises Limited	17	17%	64,294	1,093	1,093
Khalil Jute Mills Limited	16	17%	138,875	577	2,222
Khattak Edible Oil Limited	15	17%	82,467	1,237	1,237
Leatherite Limited	14	17%	69,643	727	975
Mass Dairies Limited	11	17%	229,364	2,523	2,523
Meditex International Limited	15	17%	87,800	508	1,317
Morgah Valley Limited	16	17%	29,250	468	468
National Fructose Limited	11	17%	550,818	6,060	6,059
Pak Belt Industries Limited	13	17%	94,692	757	1,231
Pangrio Sugar Mills Limited	29	17%	442,586	12,835	12,835
Punjab Building Products	12	17%	121,500	1,458	1,458
Punjab Cables Mills Limited	12	17%	388,667	3,833	4,664
Rainbow Packages Limited	23	17%	122,174	2,223	2,810
Sampak Paper Board Mills	11	17%	14,909	165	164
Sarela Cement Limited	35	17%	406,629	14,232	14,232
Sethi Industries Limited	15	17%	240,667	3,522	3,610
Shafi Woolen Industries Limited	11	17%	89,455	490	984
Sindh Glass Industries Limited	17	17%	598,765	9,457	10,179
Star Silica Industries Limited	15	17%	137,467	1,803	2,062
Suhail Jute Mills Limited	13	17%	80,769	673	1,050
Sunshine Jute Mills Limited	-	-	-	-	703
United Wood (Veener) Limited	15	17%	51,000	727	765
Waziristan Oil Industries Limited	13	17%	88,385	1,094	1,149
Zafar Oil Industries Limited	11	17%	65,455	720	720
				125,458	139,982

Notes to the Financial Statements - 2005

1.5.4 Government of Pakistan-Guaranteed Bonds

Investee	Terms of Redemption		Rate of Interest %	2005	2004
	Principal	Interest		Cost Rupees in '000	
WAPDA Bonds (8th issue)	-	-	-	-	2,999,980
WAPDA Bonds (9th issue)	Bi-annual	Bi-annual	11.00%	720,003	1,067,995
WAPDA Bonds	-	-	-	-	374,998
Rice Export Corporation of Pakistan - Bonds	-	-	-	-	2,850,000
Rice Export Corporation of Pakistan - Bonds	Annual	Bi-annual	Average of last six months FIB rates (15%)	918,861	1,229,943
Cotton Export Corporation of Pakistan - Bonds	-	-	-	-	584,760
Cotton Export Corporation of Pakistan - Bonds	-	-	-	-	32,865
Ghee Corporation of Pakistan - Bonds	Annual	Bi-annual	Average of last six months FIB rates (15%)	570,000	810,156
Trading Corporation of Pakistan - Bonds	Annual	Bi-annual	Average of last six months FIB rates (15%)	463,776	614,016
Saindak Metals Limited - Bonds	Annual	Bi-annual	15%	508,969	763,453
Saindak Metals Limited - Bonds	Annual	Bi-annual	Average of last six months KIBOR rates	725,972	1,209,954
Ghee Corporation of Pakistan - Bonds	-	-	-	-	43,902
Government of Pakistan - Bonds (former NDFC)	-	-	-	-	71,938
Shahdadkot Textile Mills Limited	-	-	-	-	57,221
Shahnawaz Bhutto Sugar Mills	Lumpsum	Lumpsum	6%	15,813	12,017
EM Oil Mills (GCP)	-	-	-	-	16,800
Public Sector Enterprizes	Lumpsum	Lumpsum	6%	23,272	-
				3,946,666	12,739,998
				11,984,488	19,887,177

1.5.5 Others Govt Bond Investment

Investee	Terms of Redemption		Rate of Interest %	2005	2004
	Principal	Interest		Cost Rupees in '000	
CIRC Bond	Regular	Regular	Six month T-Bill auction rate on the day preceeding the date of Payment of return 8.25%	11,242	-
				11,242	-

Notes to the Financial Statements - 2005

Statement showing written off loans or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2005

Annexure - II as referred to in Note 10.5 to the financial statements

(Rupees in Million)

Sr. No.	Name & Address of the borrower	Name of Individuals/ Partners/Directors with NIC No.	Father's/ Husband's name	Outstanding liabilities at beginning of the year				Principal written off.	Interest/ Mark-up written Off.	Other financial relief / waiver provided.		Total (9+10+11)
				Principal	Interest/ mark-up	Others	Total			Waiver	Reversal	
1	2	3	4	5	6	7	8	9	10	11	12	
1	Sunil Rice Mills Arore Road Rohri	Siri Chand 416051-025736	Chander Mal	-	3.703	-	3.703	-	3.703	-	-	3.703
2	Cholistan Enterprises Cotton G/P Factory & Oil Mills, Hatheji, Ahmedpur East.	Ahmed Hassan 344-27-119525 Begum Saghira Khalid. 322-55-547896 Muhammad Bhatti 355-55-666969 Muhammad Khalid Akhtar 322-45-789321 Miss. Razia Hassan 344-50-173545 Anwar Hassan Chughtai 344-92-173542 Yousaf Hassan Chughtai 344-54-173543 Munawar Hassan Chughtai 344-56-159788. Qasim Hassan Chughtai Mst. Qusia Rasheed 345-66-654564	Khuda Bux Maj. Khalid Mehmood PashaSardar M. Siddique Bhatti Akhtar Ali Ahmed Hassan Chughtai Ahmed Hassan Chughtai Ahmed Hassan Chughtai Ahmed Hassan Chughtai Ahmed Hassan Chughtai M. Rashid Jalil	4.098	5.881	0.498	10.477	-	-	0.091	3.128	3.219
3	Lassani Bottling Company 3-Heavy Industrial Area, Model Town, Bahawalpur	Muhammad Saleem 344-88-011542 Muhammad Nadeem 344-62-011540 Muhammad Sohail 344-62-011540 Mst Saeeda Begum 344-59-180956 Ijaz-ur-Rehman 345-52-401144 Ch. Manzoor Ahmed 345-52-401144	Rehmat Ali Rehmat Ali Rehmat Ali Abdul Shaheed Abdul Shaheed Ch. Shah Muhammad	10.411	7.744	0.191	18.346	2.409	4.540	0.568	2.861	10.378
4	Lucky Looms Industries Jhangiwal Road, Bahawalpur	Malik Abdul Sattar 344-91-065976 Malik Yar Muhammad 344-14-065988 Mst. Lal Bibi 344-24-065984 Mst. Kaneez Bibi 326-48-533301	Malik Yar Muhammad Malik Fateh Muhammad Malik Yar Muhammad Bagh Shah	4.813	5.125	0.340	10.278	3.327	-	2.907	2.558	8.792
5	Rose Textile Mills, Ahmedpur East Road, Bahawalpur	Ch. Muhammad Saleem 344-31-132916 Ch. Muhammad Amin 353-25-008830 Izhar-ul-Hassan 517-46-006364 Mumtaz-ul-Hassan 318-37-026135 Ch. Mohtram Ali 516-34-121043 Muhammad Arshad 455-54-010821	Fazal Ahmed Fazal Ahmed Ch. Ghulam Hassan Ch. Ghulam Hassan K.S. Sh. Alam Ali Ch. Ghulam Nabi.Ch.	5.461	63.676	0.104	69.241	5.461	-	0.104	63.676	69.241
6	Student Book Depot, School Bazar, Sadiqabad	Ghulam Hussain 360-93-481819 Abdul Sattar 360-40-036577	Chiragh Din Atta Muhammad	0.226	0.717	0.053	0.996	0.226	0.071	0.086	0.613	0.996
7	Subhan Textile Mills, Near: Baghdad Railway Station, Bahawalpur	Mr. Javed Anwar Abid 31202-4316517-7 Mrs. Farrukh Rashid 31202-6837499-6. Mr. Shahid Rashid 344-83-197547	Subhan Ali Javed Anwar Abid Ch. Abdul Rashid	4.485	8.909	0.650	14.044	3.485	0.428	2.642	6.490	13.045

Notes to the Financial Statements - 2005

(Rupees in Million)

Sr. No.	Name & Address of the borrower	Name of Individuals/ Partners/Directors with NIC No.	Father's/ Husband's name	Outstanding liabilities at beginning of the year				Principal written off.	Interest/ Mark-up written Off.	Other financial relief / waiver provided.		Total (9+10+11)
				Principal	Interest / mark-up	Others	Total			Waiver	Reversal	
1	2	3	4	5	6	7	8	9	10	11	12	
8	Channi Solvent Ind (Pvt) Ltd Shah Nawaz Cotton Ind Khar Gharbi Rd. Samhani, Kot Addu	Umar Farooq 32303-0736229-9 Gul Afshan 317-93-394823	Abdul Bari W/o. Umer Farooq	20.081	14.953	0.227	35.261	-	1.107	2.860	10.105	14.072
9	Rao Cotton Industries Chowk Kotala Gamoon Shah Sultan Teh. Gatoi Muzzafargarh	Mst Qaiser Ara Begum 251-85-190563	Rao Musharaf Ali Khan	-	1.197	-	1.197	-	-	1.197	0.000	1.197
10	Adeel Industries, Kamber Road, Mailsi	Muhammad Amin 36602-5798149-7 Mst.Khurshid Begum 352-89-133463-9	M. Yousuf Mian Mahmoodul Hassan	3.020	4.756	0.470	8.246	1.802	1.242	1.619	2.107	6.770
11	Ahmed Industries Industrial Estate, Multan House # 72/W Muhallah Tariq Bin Zaid Colony Sahiwal	S.Shabbir Ahmed Naqvi 36502-1334603-9	Nazir Ahmed	0.790	1.014	4.341	6.145	0.380	-	4.229	1.014	5.623
12	Ajbana Cotton Industries, Karor Pacca Road, Mailsi	Ashiq Muhammad 325-86-287178 Khuda Bux 325-88-139568 Mushtaq Ahmed 325-58-377332	Gul Muhammad Gul Muhammad Khuda Bux	2.354	2.933	0.382	5.669	0.384	0.987	1.418	0.962	3.751
13	Ajbana Enterprises Karor Pacca Rd, Yar Mouza Arain Wala, Mailsi	Ashiq Muhammad 325-86-287178 Khuda Bux 325-88-139568 Mushtaq Ahmed 325-58-377332 Yar Muhammad 325-40-139662	Gul Muhammad Gul Muhammad Khuda Bux Manzoor Ahmed	1.731	0.990	0.164	2.885	1.191	0.131	0.306	0.476	2.104
14	Ajmal Hussain Shah Cha-Jaffer Shah Wala Chungi#1 Multan	Ajmal Hussain Shah 322-75-389821	S.Safdar Hussain Shah	0.302	0.344	0.017	0.663	0.302	-	0.146	0.215	0.663
15	Al -Subbah Weaving Mills Chak #427/EB Chichawathani Road, Burearwala	Abdul Hameed 36601-9242733-7 Mariyum Bibi 36601-7582772-8 Ch. Nazar Ahmad 36601-5362925-9 Khalid Pervez 36601-1541013-3 Ghulam Sarwar 36601-2477308-9	Muhammad Saeed Abdul Hammad Ch. Ali Muhammad Habib Ahmad Abdul Ghani	9.127	13.270	0.170	22.567	4.527	11.297	2.143	0.000	17.967
16	Hamaliya Dal Factory ByPass Chowk Hassan Sawali Mouza Bahawalpur, Sukhan, Multan	Shahzad Anjum 36303-3348432-3 Malik Abdul Rahim 323-39-104645	Abdul Rahim Rahim Bukhsh	7.360	3.720	0.746	11.826	5.460	1.638	2.828	0.000	9.926
17	Haq Industries, Mouza Jahangirabad, Yousufabad, Khanewal Road, Multan	Sh. Nadeemul Haq 36302-3804370-1 M. Wasimul Haq 322-64-142970 M. Fahimul Haq 36302-8750486-1	Muhammad Rafique Mohammad Rafique Mohammad Rafique	3.629	5.985	0.097	9.711	-	-	0.449	4.409	4.858
18	Hassan Wool Industries Industrial Estate, Multan	Kh.Muhammad Shoib 36302-2062539-1	Kh.Hassan Din	-	1.099	0.149	1.248	-	-	0.616	1.972	2.588

Notes to the Financial Statements - 2005

(Rupees in Million)

Sr. No.	Name & Address of the borrower	Name of Individuals/ Partners/Directors with NIC No.	Father's/ Husband's name	Outstanding liabilities at beginning of the year				Principal written off.	Interest/ Mark-up written Off.	Other financial relief / waiver provided.		Total (9+10+11)
				Principal	Interest/ mark-up	Others	Total			Waiver	Reversal	
1	2	3	4	5	6	7	8	9	10	11	12	
19	Jazz International 18 Kessai Budla Road, Multan	Jamila Perveen 36302-0295526-6	Jamil Anjum Umer Din	0.874	1.228	0.186	2.288	0.874		1.414	0.000	2.288
20	Kohinoor Edible Oil Chak# 166/WB, Tehsil Mailsi, Dist. Vehari	Muhammad Asif Saigol 270-57-006202 Saigal M. Abid 270-62-006204 Saigal M. Arif Saigal 270-69-006203	Muhammad Rafique Muhammad Rafique Muhammad Rafique	6.733	-	-	6.733	5.242	-	-	0.000	5.242
21	M. Aslam, M. Afzal Colony Road, Mailsi	M.A. Slam 35301-7362414-3	Allah Rakha	0.939	0.381	0.040	1.360	0.580	0.610	-	0.040	1.230
22	Mehmoodi Metal Packages (Pvt) Ltd. Mouza Rukanpur, Tehsil Mailsi Dist. Vehari	Kh. Mahmood Ahmed 32103-9030210-9 Ahmed Muhammad Nasir 322-49-090583	Ghulam Murtaza Muhammad Khan	4.443	11.210		15.653	2.451	0.904	3.522	6.784	13.661
23	Mohsin Owais (Pvt) Ltd. (2 A/Cs) LMM & IBRD Behind Fazalabad Textile Mills.Totalan Wala, Vehari Road, Multan 183/A-2 Jinnah Town, Jail Road, Multan	Imtiaz Ahmed Qureshi 36302-0485875-7 Muhammad Razzaq 3602-0480452-7	Mian Allah Wasaya Bux Muhammad Shafiq	1.397	2.147	0.172	3.716	0.381	0.394	1.061	0.880	2.716
24	Mumtaz Traders Colony Road, Mailsi	Mumtaz Ahmed 325-90-406701 Mushtaq Ahmed 325-91-417702	Abdul Razzaq Abdul Razzaq	0.594	0.076	-	0.670	0.564	0.076	-	0.000	0.640
25	National Flour Mills 46-T.B. Hospital Road, Multan House # 258 W.# 5 Boher Gate Multan	Naseer Ahmad 322-41-033738 Saleem Akhtar 322-85-033740 Tasleem Akhtar 322-64-033742	Rehmatullah Naeem Ahmed Naeem Ahmed	3.800	0.864	-	4.664	-	-	0.152	0.712	0.864
26	Rafique Textile (Pvt) Ltd. Mouza Alamgir, Old Shujabad Road, Multan House # 3 Shadman Colony Multan Cantt.	Muhammad Tariq Ch 322-56-788117 Mst. Amtul Basit 322-59-850946	Muhammad Rafique Muhammad Tariq Ch	11.464	16.264	1.129	28.857	11.464	-	6.396	10.997	28.857
27	Sh. Muhammad Rashid & Co. (Pvt) Ltd. Industrial Estate Multan	M. Ahmed Tahir 36302-805888-7 M. Ahsan Tahir 36302-8060388-7	Sh.M.Tahir Rashid Sh. M. Tahir Rashid	4.239	4.716	-	8.955	-	2.772	2.065	0.000	4.837
28	Sultani Cotton G&P Factory Mutan Road, Bhurewala	Muhammad Iqbal 36601-6873497-1 Shaikat Hayat 36601-9809938-9 Ali Ahmed 36601-6864946-1 Muhammad Zafar 36601-9818488-9 Muhammad Ilyas 321-86-067847 Faiz Muhammad 321-33-067843 Talhat Mehmood 321-89-067848	Muhammad Kabir Muhammad Kabir Muhammad Kabir Faiz Muhammad Mehmood Faiz Muhammad	1.997	3.491	0.211	5.699	0.123	-	0.628	2.348	3.099
29	Afshan Shoeib.H 231, Gulshan 13D-1, Karachi.	Afshan Shoeib 42201-7870365-2	Shoeib Rehman	0.399	0.681	0.045	1.125	0.001	-	0.726	0.000	0.727
30	Akbar Shah Afridi L-61.Sec 5A. North Karachi	Akbar Shah Afridi 502-57-536295	Khata Khan	0.064	0.553	0.004	0.621	-	-	-	0.521	0.521

Notes to the Financial Statements - 2005

(Rupees in Million)

Sr. No.	Name & Address of the borrower	Name of Individuals/ Partners/Directors with NIC No.	Father's/ Husband's name	Outstanding liabilities at beginning of the year				Principal written off.	Interest/ Mark-up written Off.	Other financial relief / waiver provided.		Total (9+10+11)
				Principal	Interest/ mark-up	Others	Total			Waiver	Reversal	
1	2	3	4	5	6	7	8	9	10	11	12	
										Waiver	Reversal	
31	Al-Rajput, St.#8, Shah Gaib Gabol Town, B-1 22 F.B. Area, Karachi	Rao Muhammad Tasleem 42101-8429189-7	Munshi Khan	0.140	11.429	1.456	13.025	0.140	-	6.526	6.359	13.025
32	Azmat Trading 4-C MA Society, Karachi	Hafiz Azmat 42201-8476389-7	Azmat Shaikh	15.548	7.377	0.521	23.446	-	-	5.951	1.882	7.833
33	Bela Ghee Hub Chowki, Distt: Lasbella	Jan Muhammad Yousuf 42000-7596353-3 Gul Hassan 42000-0283632-3 Princess Shalla Bibi 51501-9432030-4 Mrs.Shereen Jan 42000-7497117-2	Mir Ghulam Qadir Kh Noor Muhammad W/o.S.Abdul Qadir W/o.Mohiuddin	21.157	21.375	-	42.532	16.917	-	1.559	19.816	38.292
34	Bilal Abdul Muhammad Poonjani. Flat# B3, Ruby Center, Plot# 67 Block# 7, FB Area, Karachi	Bilal Abdul Muhammad Poonjani. 42201-4855189-1	Abdul Muhammad Poonjani	0.242	0.357	0.030	0.629	0.242	-	0.387	0.000	0.629
35	Crescent Board. P#B123/B238, B1238, Nooriabad, Dadu, Sindh	Maqbool Ahmed 517-85-041306 Riaz Masood 517-85-150954 Shahid Riaz 517-83-150953	Mian Bux Elahi Mian Maqbool Elahi Nadeem Maqbool	172.035	56.627	31.377	260.039	-	-	80.617	0.000	80.617
36	Green Acers H.#6/213-A, Hashim Raza Road, Model Colony, Karachi	Waheed Ali 42201-7495710-3	Ch. Muhammad Ali	0.406	1.161	0.018	1.585	-	-	1.177	0.000	1.177
37	Irfan Ahmed H.No:A-39, 13/D-2, Gulshan-e-Iqbal, Karachi	Irfan Ahmed 42201-6644201-9	Imam Ahmed Din Rao	0.333	0.279	0.029	0.641	0.333	-	0.113	0.195	0.641
38	Kamran Cloth Market Shop#8, Penorama Bldg Karachi.	Kamran Ahmed 42101-5194864-9	Shabab Ahmed	0.213	0.292	0.001	0.506	0.213	-	0.293	0.000	0.506
39	Karachi Papers 92-Mehta House, Saleh Muhammad Street, Karachi.	Abdul Hanif 517-46-361968	Abdul Aziz	0.150	0.604	0.057	0.811	-	-	0.640	0.000	0.640
40	Khalid Mehmood H#20.Baharia Soc,Hun R.Rd.Nad Marpr.	Khalid Mehmood 42401-7781305-9	Fateh Muhammad	0.392	0.390	0.046	0.828	0.392	-	0.196	0.240	0.828
41	Muhammad Aashad Ilyas F#.6.4 Fl.47, DHA, Karachi	Muhammad Aashad Ilyas 42101-1805359-5	Muhammad Manzar Ilyas	-	0.628	0.003	0.631	-	-	0.631	0.000	0.631
42	Muzaffar Ali 67-F, Patel Para, Jehangir Rd., Karachi	Muzaffar Ali 423-85-077690	Ghulam Ro	0.001	0.471	0.196	0.668	-	-	0.514	0.153	0.667
43	Pak Oceanic Fisheries Co. 10.Nuran Most St.5 Jabol Para Karachi	Asad Ali Lakhani 517-89-416710	M. Ali Lakhani	0.988	0.017	-	1.005	0.988	-	0.017	0.000	1.005
44	Piyao Jan D-218.BI-4.Metrowill-I. S.I.T.E.Karachi	Piyao Jan 517-56-279489	W/o Rais Khan	0.461	0.583	0.079	1.123	0.240	-	0.031	0.584	0.855
45	Saigal Ghee Mills Ltd. F-100, S.I.T.E. Karachi	Tariq Saigal 502-59-4487527 Zafar Saigal 42301-65-62907-1	Inam Elahi Saigol Inam Elahi Saigol	86.863	173.332	-	260.195	52.534	-	36.007	137.325	225.866
46	Shamim Uddin Farooqui.C/4 C/4, North City Appt Shadman North Karachi	Shamim Uddin Farooqui 503-92-324755	Ehsan Uddin Farooqui	0.300	0.354	0.029	0.683	0.300	-	0.383	0.000	0.683
47	Shamsia Malik 2-C2 Central Comm St DHA, Karachi	Shamsia Malik 42301-8571464-6	D/o.Qamar ul Huda	0.355	0.315	0.004	0.674	0.355	-	0.166	0.153	0.674
48	Sind Industrial Coprn. 603.Muhammadi House II Chundrigar Rd Karachi	Azhar Jamil 42301-8396801-7 Laila Jamil 42301-9403660-4	Khalid Jamil Azher Jamil	20.423	6.687	0.546	27.656	13.281	-	5.970	0.717	19.968

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1	2	3	4	5	6	7	8	9	10	11	12	
										Waiver	Reversal	
49	Syed Azmat Ali H.No.R-96,Sec.11-C/1, North Karachi	Syed Azmat Ali 42101-166934	Syed Amjad Ali	0.281	0.261	0.021	0.563	0.281	-	0.282	0.000	0.563
50	Syed Hasnain Bukhari. C-3 S.Sec VIII Sec X Maymar Karachi	Syed Hasnain Bukhari 42201-0495817-3	Syed Abrar Hussain Bukhari	0.130	0.877	0.008	1.015	0.130	-	0.885	0.000	1.015
51	Tip Top 10C Sunset Boulevard Ph-II, DHA, Kh	S Wajahat Hussain 109-63-049142	Syed Fasahat Hussain	4.814	4.382	0.138	9.334	-	-	1.026	3.283	4.309
52	Trade Amity,403B,5 Fl.AI-Fareed Centre MT Khan Rd Karachi	S.Islam Bukhari	S. Shabbir Ahmed Bukhari	0.197	0.402	0.007	0.606	0.197	-	0.409	0.000	0.606
53	Vanguard 21/22 Sub Blk-C, Shakeel Mension SMCS Karachi	Frah Thanvi Nawaz Feroze Dosa 502-61-231434	W/o. Neuroze Dosa	18.654	48.942	0.088	67.684	-	-	2.453	45.731	48.184
54	Zafar Polutry & Agriculture Farm 98/3, Deh Mochko Tappo Talka Karachi.	Zafar Khan	Noor Khan	0.639	1.432	0.016	2.087	0.407	-	1.680	0.000	2.087
55	Zeco Traders St#8.Shah Gaib Gabol Town, Bl 22, F.B. Area, Karachi	Zafar Ahmed Bilqees 501-45-265626	Bashir Ahmed	15.500	2.299	-	17.799	-	-	0.540	0.000	0.540
56	Zeenat Marble 1D/5 Bl-1,St6.Qasba Metrowill,Karachi	Muhammad Younus Bajwa 42201-6286431-3 Zeenat Begum 518-55-043239	Hakim Din Bajwa M Younus Bajwa	14.023	38.127	-	52.150	9.381	-	5.924	32.203	47.508
57	Abdul Ghaffar 3/2 Baldia, Karachi	Abdul Ghaffar 42201-0601365-1	Ibrahim Khan	0.218	0.168	-	0.386	0.019	-	0.367	0.000	0.386
58	Abid Oil 40 Mangopir Road Karachi.	Abdul Hassan Abidi 502-69-117548	Syed Amir Hassan Abidi	0.186	0.325	-	0.511	0.186	-	0.325	0.000	0.511
59	Advance Marketing 30, Dadabhoy Center Shakra-e-Faisal Karachi	Fraz Bashir Khan 40301-7266689-9 Muhammad Aqeel 42201-1355671-7	Abdul Bashir Khan Muhammad Ibrahim	2.300	0.648	0.032	2.980	0.206	0.648	0.033	0.000	0.887
60	M.Arshad Khan Shop 391 Fawad Center, Hyderi Market, Karachi	M.Arshad Khan 508-63-684322	Noor Muhammad	0.296	0.269	0.003	0.568	0.296	-	0.003	0.269	0.568
61	Mehran Engineering Industries (Pvt) Ltd. Al-Hamra Shopping Center, D/6 Shaheed-e-Millat Road, Karachi	Faiz Muhammad Palari 42501-8641534-9	Mirza Khan Palari	10.775	21.454	0.037	32.266	-	6.069	-	15.197	21.266
62	Mst. Fayyazi Begum 11 Sector, 51-A, Korangi, Karachi	Mst.Fayyazi Begum 521-41-031091	Shaikh	0.223	0.265	0.058	0.546	0.223	-	0.323	0.000	0.546
63	Zafar Iqbal Nizamuddin 36/331 Saleem Housing Project Malir Halt, Karachi	Mr.Zafar Iqbal 422.1-3915041-1	Muhammad Sharif	-	0.151	-	0.151	-	-	0.151	0.000	0.151
64	Fateh Textile Mills Limited SITE, Hali Road, Hyderabad	Goharullah Nic # 41303-1509097-7 Asadullah Nic # 41303-1509098-5 Humayun Nic# 41303-1522704-1 Abdul Razzaque Nic#41303-1540152-9 Maqsood Ahmed Nic#41304-3724911-5 Mohd Saleem Nic#42201-4925717-3 Mohd Ayub Nic#17301-1630795-9	Inayatullah Inayatullah Inayatullah Yousuf Memon Zahoor Ahmed Khan Noor Muhammad Habib Hazrat Khan	409.950	352.885	-	762.835	-	-	352.885	-	352.885
65	Shafqat Cattle & Dairy Farm Gharo A31, Munir Foundation, St# 1, Block-19 Gulistan-e-Jauhar Karachi	Pir Shafqat Ahmed Nic#506075-42934-8	Pir Shabbir Ahmed	3.000	1.486	-	4.486	-	-	0.031	0.563	0.594

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1	2	3	4	5	6	7	8	9	10	11	12	
										Waiver	Reversal	
66	Marhaba Poultry Farm Qaboola Road Arifwala	Rana Tariq Mehmood 36401-4253697-5 Rana Shahid Iqbal 35200-2817131-3	Rana Muhammad Khan Rana khudad Khan	1.226	2.184	0.093	3.503	-	-	0.384	1.893	2.277
67	Wathra Cg&P Factory Chak No.120/7-Er Chichawatni Jamia Masjid Bazar Chichawatni	Shaukat Hayat Wathra 36501-6177335-3 Qaisar Karim Wathra 36501-8183563-7	Ch Abdul Karim Wathra Ch Abdul Karim Wathra	1.298	0.275	0.015	1.588	0.670	-	0.290	0.000	0.960
68	Jhang Textile Industries (Pvt) Limited, Gojra Road, Jhang	Ghulam Hussain 260-84-494391 M. Zahoor Chohan 259-91-006745 Nigah Hussain 135-90-452367 Mrs. Rubina Mushtaq 260-56-165332 Anwer Ali 449-40-119552 Fida Hussain 260-86-574958 M. Zaigham Iqbal 255-63-352132	Faqeer Hussain Sikandar Khan Faqeer Hussain W/o Mushtaq Ahmed Ch. M. Iqbal Fazal Karim Iqbal Hussain	3.536	6.365	0.120	10.021	2.796	-	1.280	5.205	9.281
69	Shama Textile Industries (Pvt) Ltd. Shadman Road, Faisalabad	Muhammad Shafiq (Late) 246-54-019411 Haji Muhammad Idrees, 246-63-019406 Muhammad Latif 246-45-242439 Zubaida Begum 244-91-6188462	Haji Bashir Ahmad Haji Muhammad Bashir Muhammad Sharif D/o Haji M. Bashir	15.000	22.556	0.381	37.937	8.358	-	2.887	20.050	31.295
70	Pak Real Products (Pvt) Ltd. 1st Floor, 4-Faisal Market, Dijkot Road, Faisalabad	Naseer Hameed Qureshi 33100-9292856-1 Jameel Hameed Qureshi 244-56-184145, Ifikhar Ali Hameed Qureshi 244-24-391337	Ifikhar Ali Hameed Qureshi Ifikhar Ali Hameed Qureshi Khan Sahib Nawab Ali Qureshi	6.552	9.776	0.123	16.451	1.479	-	1.528	8.371	11.378
71	Ajmal Saif & Co. Alipur Chatta, Tehsil: Wazirabad Dist. Gujranwala	M. Aman Ullah Khan 296-90-387447 M. Ikram Ullah Khan 296-90-387448 Abdul Qayyum 296-90-139501 Muzammal Aman 296-90-552454 Muhammad Ashraf 289-93-235513 Liaqat Ali 287-90-147707	Bahadur Ali Khan Bahadur Ali Khan Ehsanullah Khan Amanullah Khan Muhammad Sharif Muhammad Sharif	6.964	4.507	0.176	11.647	-	-	1.871	0.000	1.871
72	Gujranwala Weaving Industry GT Road, Gujranwala	Amjad Pervaiz 35402-7325101-1 Gh. Sarwar Hussain 276-14-018355 Shamim Akhtar 35402-1564681-4 Durrey Najaf 35401-9423461-6	Gh. Sarwar Husnain Khan Maan Amjad Pervaiz Maan Amjad Pervaiz Maan	5.103	8.286	0.420	13.809	3.798	-	4.157	4.549	12.504
73	Arif Iqbal Mohallah Shaiphanwala Attawali, Tehsil: Depalpur.	Arif Iqbal 336-91-003011	Bashir Ahmad	0.187	0.344	0.011	0.542	0.187	-	0.193	0.162	0.542
74	Bashir Cotton Mills Pvt.Ltd. 97-B, Gulberg, Lahore	Muhammad Rafi 270-50-037733 Arif Rafi 270-52-087389 Anjum Rafi 451-53-087389 M Tariq Rafi 270-50-037733	Muhammad Ismail Muhammad Rafi Muhammad Rafi Muhammad Rafi	63.093	48.075	-	111.168	46.355	16.738	42.970	5.105	111.168
75	Discount Stores, 36-G, Defence Market, LCCHS, Lahore Cantt.	Muhammad Riaz Mian 275-50-332012 Shakila Riaz 275-55-330213	Safdar Ali W/o. M Riaz	1.541	1.764	0.148	3.453	-	-	-	0.863	0.863

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1	2	3	4	5	6	7	8	9	10	11	12	
76	Ice Pak Ltd. 720 Land Mark, Plaza Jail Road, Lahore	Haroon Arfeen 213-60-095359 Mansoor Arifeen 273-55-156900 Shela Arifeen 274-61-030028 Begum Quresha Sultan 213-33-095360 Rukhsana Mansoor 272-85-468822 Qaiser Saeed Siddique 273-48-128060 Mohd. Riaz Mian 275-51-332012	Shamsul Arfeen Shamsul Arfeen Shamsul Arfeen Shamsul Arfeen Mansoor Zaigham Haji M. Saeed Iqbal Safdar Ali	19.795	29.128	0.989	49.912	7.596	-	6.868	23.249	37.713
77	Link Belt Industries 7 KM, Sheikhpura Road, Lahore	Sh.Abdul Hafeez 35202-461653309	Sh.Abdul Rehman	1.661	6.762	0.361	8.784	-	-	1.018	3.925	4.943
78	M.Ashraf Bhatti 1777-A Theria Barison, Bhatti Gate Lahore	M.Ashraf Bhatti 276-92-063477	M.Asiam	0.254	0.605	0.017	0.876	0.254	-	0.394	0.228	0.876
79	Muhammad Ayaz H.456 St.14 Gulistan Colony, Mustafabad Lahore	M.Ayaz 264-64-037824	Ghulam Muhammad	0.197	0.524	0.018	0.739	0.197	-	0.372	0.170	0.739
80	Muhammad Waris 4-Arif St.Ghosia, Colony Wahdat Road, Lahore.	M.Waris 271-64-228869	Mian Mushtaq Ahmad	0.162	0.317	0.023	0.502	0.161	-	0.190	0.151	0.502
81	Maktab-e-Dastan Pvt. Ltd. 26-Patiala Ground, Link Macleod Rd. Lahore	Inayatullah 274-21-013435	Babu Naik Alam	1.393	2.617	0.091	4.101	-	-	1.025	0.000	1.025
82	Mammals Integrated Livestock Complex.Village Bihar Tehsil & District Kasur H.No.144-A Gor V, FaisalTown Lahore	Maj Yousaf Nadeem 35201-9702894-3	Muhammad Yaqub Bhatti	3.061	1.529	0.002	4.592	-	-	1.530	0.000	1.530
83	Meer Din Ahmedpura City Muridke	Meer Din 295-85-483849	Umer Din	0.395	0.402	0.012	0.809	0.395	0.122	0.292	0.000	0.809
84	Midland Bearing Centre Khan Market 42-Brandreth Road, Lahore	Sh.Maqbool Ahmed	Ghulam Rasool	0.084	0.519	0.003	0.606	0.084	0.051	0.470	0.000	0.605
85	Muhammad Akram H.No.1 St.No.40, Noorani St.Ichra Lahore.	Muhammad Akram 352-02-2821072-3	Muhammad Ilyas	0.192	0.340	0.001	0.533	0.192	-	0.341	0.000	0.533
86	Muhammad Sharif H.No.916-D.Gul Peshawarian Inside Lohari Gate Sooter Mandi Lahore	Muhammad Sharif 276-45-168490	Sher Muhammad	0.385	0.489	0.044	0.918	-	0.035	0.164	0.334	0.533
87	Muneeb Ahmed, H.No.63-A Gali Mohallah Shahdara More Lahore	Muneeb Ahmed 35202-1578916-3	Ch. Mohammad Akram	0.393	0.511	0.007	0.911	-	0.123	0.394	0.000	0.517
88	Nazir-V.Belt House, Khan Market, 42-Brandreth Road, Lahore	Nazir Ahmed	Ghulam Haider	0.094	0.502	0.020	0.616	0.088	0.045	0.477	0.000	0.610
89	S Maroof Hussain, Kot Saeedan, Tehsil: Ferozewala, Distt. SKP	S. Maroof Hussain 35401-1748014-8	S. Sadiq Hussain	0.340	0.347	0.011	0.698	0.340	0.042	0.316	0.000	0.698
90	Shabbir Hussain H.No.C-1 Staff Colony Lahore	Shabbir Hussain 270-89-172908	M.Afsar	-	0.517	0.045	0.562	-	-	0.450	0.112	0.562
91	Shahid Imran Leather Inds. Off.S-Akbar Road Hide Market Lhr. Factory. Thatha Khuda Yar Razabad, 13-KM SHP Road, Lahore	Sh.Mohd.Akram 266-46-1778272 Sh. Mohd. Aslam 266-55-100057	Sh. Mohd. Ramzan Sh. Mohd. Ramzan	8.319	12.965	0.162	21.446	7.033	-	1.246	9.805	18.084
92	Shaukat Javed 448-Ponch Road, Samanabad Lahore	Shaukat Javed 273-85-275556	Abdul Ghafoor	0.475	1.487	0.052	2.014	0.475	0.590	0.586	0.363	2.014
93	Shehbaz Alam H.No.8/A St.& Bastami Road, Samanabad Lahore	Shehbaz Alam 273-89-120072	Sartaj Alam	0.351	0.737	0.018	1.106	0.351	0.218	0.312	0.225	1.106

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										Waiver	Reversal	
94	Zial-ul-Haq, Res: of Chorah The. Ferozewala	Zia-ul-Haq 35401-1759371-9	Saeed Ahmad	0.428	0.436	0.012	0.876	0.428	0.100	0.348	0.000	0.876
95	A.M Foods (pvt) Ltd. 5 KM Soo-e-Asil Road, Lahore.	Dr. Farrukh Naeem 35202-2616409-5 Mrs. Farida Farrukh 35202-2483743-2	M. Amin Sheikh Dr.Farrukh Naeem	4.055	10.358	0.139	14.552	-	-	1.597	7.930	9.527
96	Ahmed Sher Tarar 37 Jail Road, Lahore	Ahmed Sher Tarar 210-29-245286	Ch. Raj Muhammad Tarar	1.410	2.530	0.033	3.973	-	-	2.563	0.000	2.563
97	Amir Hayat Tarar 37 Jail Road, Lahore.	Amir Hayat Tarar 210-60-245289	Ahmed Sher Tarar	1.410	2.530	0.033	3.973	-	-	2.563	0.000	2.563
98	Atlantic Motor Traders Jail Road, Lahore.	Naeem Ullah Sheikh 273-87-117809	Sheikh Inayatullah	6.213	11.302	0.140	17.655	-	-	4.942	6.212	11.154
99	Jahangir Fabrics (pvt) Ltd. 47 KM Ferozepur Road, Kasur.	Muhammad Muaz Anwar 35201-2543080-7 Ishfaq ur Rehman 35200-9670992-3	Muhammad Anwar Abdul Rehman	27.606	6.057	2.696	36.359	17.289	-	8.753	0.000	26.042
100	Khokhar Oil & Ghee Mills (Pvt) Ltd.	Muhammad Ashraf Khokhar 302-60-022012 Ch. Abdul Rasheed Khokhar 302-40-022010 Muhammad Arshad 302-93-192043 Amjad Ali 302-63-022013	Ch. Abdul Rasheed Khokhar Ch. Qaim uddin Ch. Abdul Rasheed Khokhar Ch. Abdul Rasheed Khokhar	4.702	4.252	0.166	9.120	-	-	0.402	2.118	2.520
101	Lasso Associates (pvt) Ltd. 2/5 Zaheer Afridi Road, Lahore Cant.	Ceicel Chaudhry 35202-4590324-7	Fostan Almer Ch.	2.322	3.679	0.070	6.071	-	-	-	2.798	2.798
102	Latif Brothers (pvt) Ltd.5 - Commercial Zone Gulberg-III Lahore.	Mian Irfan Latif 35202-5173946-7 Mrs. Uzma Latif 270-89-431305 Mrs. Afshan Irfan 35202-1983806-4	Mian Muhammad Latif D/o Mian Muhammad Latif W/o Mian Irfan Latif	0.365	1.046	0.049	1.460	-	-	0.391	0.174	0.565
103	Muhammad Latif H # 44 St. No.14 Nasirabad Shalamar Town Baghbanpura, Lahore.	Muhammad Latif (Late) NIC:267-87-243419	Sheikh Abdul Haq	0.400	0.295	0.014	0.709	0.400	0.295	0.014	0.000	0.709
104	Pearl Paper Products (pvt) Ltd. Kacha Road Kahna Nau, Lahore.	Muhammad Asad 35202-2934585-1 Muhammad Asif 35202-2840486-7 Irfan Ahmed 35202-2901782-9 M. Zia ul Haq 31102-0590639-5	Ch. Yousaf Ali Ch. Yousaf Ali Ch. Yousaf Ali Ali Muhammad	5.200	5.372	0.287	10.859	3.307	-	1.223	3.296	7.826
105	Polysacks (Pvt) Ltd. 49 Bank Square Market, Model Town, Lahore.	Wajid Ali 36302-4855336-7 Muhammad Khalid 35202-4364433-3 Mrs. Shaheena Khalid 35202-5246530-2 Mrs. Sarwat Wajid 35202-7139375-6	Muhammad Shafi Muhammad Shafi W/o Mohd. Khalid W/o Wajid Ali	20.580	17.288	0.070	37.938	8.785	-	10.939	6.419	26.143
106	Power Textile Industries Ltd. 48.5 KM Multan Road Phool Nagar	Muhammad Rasheed 35202-4719402-1 Tahir Mubin 35202-1006583-7 Nasim Akhtar 35202-0762445-8 Saleem Akhtar Rana 35202-8450877-7 Imran Ahmed 35202-2282772-1 Rana Abdul Latif 35202-7173141-5 Muhammad Ashraf 269-29-026254	Sufi Muhammad Inayat Muhammad Rasheed Muhammad Rasheed Wali uddin Rana Sana Ullah Rana Abdul Aziz Din Muhammad	20.657	18.965	0.157	39.779	15.590	-	4.135	13.260	32.985

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107	Robert Orient Export International 1431/9 Bhawan Das Building Saddar Bazar, Lahore Cantt.	Robert Das NIC:277-86-282579	S. Das	0.692	0.220	0.024	0.936	0.692	-	0.244	0.000	0.936
108	Rose Ball Food Industries (Pvt) Ltd. 239-A Abid Majeed Road LahoreCantt.	Mrs. Shahla Aslam 35202-7315763 Mst. Majeedan Bibi 275-90-001629 Fayyaz Ather Siddiqui 276-56-048353	w/o Muhammad Aslam W/o Mian Mohd. Tufail Ziauddin Ahmed Siddiqui	5.086	4.154	0.539	9.779	1.038	-	4.693	0.000	5.731
109	Service Filters (pvt) Limited 15-KM Bedian Road, Lahore Cantt.	Lt. Col. @ Muhammad Safdar 35201-1673746-9 Mrs. Kalsom Safdar 35201-1540330-2	Wali Muhammad Lt. Col. (R) Mohd Safdar	8.383	10.775	0.140	19.298	-	-	2.139	8.158	10.297
110	Syed Ahmed Saeed Kirmani 15-A Shadman - II Jail Road, Lahore	Syed Ahmed Saeed Kirmani 35202-9579412-1"	S. Jalal Shah Kirmani	-	12.574	0.042	12.616	-	-	0.706	11.860	12.566
111	Syed Arshad Hussain 139 - C Model Town, Lahore.	Syed Arshad Hussain 270-58-077399	Syed Masood Hussain	1.393	2.418	0.032	3.843	-	-	2.450	0.000	2.450
112	Unipharma (Pvt) Ltd. 4.5 KM Raiwind Road, Lahore.	Mian Ijaz Ahmed 35202-4763003-7 Rehana Naz 35202-7173196-8	Mian Malik Din W/o Mian Ijaz Ahmed	3.424	3.702	-	7.126	-	-	3.233	0.128	3.361
113	Ittehad Rice Mills Village Alomahaar, Dist. Sialkot	Syed Hassanat ul Hassan 34603-0769028-1 Syed Sajid Hussain Shah 34603-02231725-5 Syed Almat-ul-Hassan 34601-0765044-7 Shah Ghulam Sakina 34601-0716662-2 Shafaqat Almas 34601-071666-4	Syed Hussain Shah Syed Hussain Shah Syed Hussain Shah W/o. Syed Tufail Hussain W/o. Syed Makhdoom Hussain	-	1.094	-	1.094	-	-	-	1.094	1.094
114	Alliance Textile Mills, G. T. Road, Jhelum	Chairman Sh. Amjad Rashid 42301-9913834-9 Mrs. Rubina Imtiaz 33100-891-3975-6 Sh. Ahmer Rashid 35200-1556427-3 Fasih Uddin Khan 35200-2801300-1 Sh. Atif Rashid 35200-0832226-5 Awais Nisar 23100-0162051-1 Sh. Nasir Ahmed 33100-3304017-7	Sh. Abdul Rashid W/o M. Imtiaz Sh.Amjad Rashid Shehazada Feroz-Uddin Sh.Amjad Rashid Nisar Ahmed Sh. Mukhtar Ahmed	16.345	43.029	2.077	61.451	-	3.407	17.158	21.387	41.952
115	Batagram Flour & General Mills, Shahr-E-Karakuram Batagram, Manshera	Ahmed Nawaz 121-57-052522 Sardar Fazle Raziq 121-85-572440	Haji Aladad Khan Sardar Mir A. Khan	2.032	3.056	0.811	5.899	1.095	-	0.666	0.641	2.402
116	Farid Corporation 133-A, Kashmir Road, Rawalpindi	Muhammad Umar Awan 510-48-108578	Ghulam Mustafa Awan	1.123	3.612	0.134	4.869	-	0.275	0.094	2.983	3.352
117	Muhammad Ramzan H-Dk.745 Dhoke Kashmiran Rawalpindi	Muhammad Ramzan 212-89-144214	Haji Muhammad	0.557	1.160	0.048	1.765	0.557	0.079	0.048	0.739	1.423
118	Musarrat Afza H-963/I Jamad Manzil Abid Majeed Road Rawalpindi	Musarrat Afza 210-55-239140	Shakeel Ahmed	0.319	0.619	0.043	0.981	-	0.200	0.043	0.419	0.662
119	Zahida Saleem Flat 27, Js HqChaklala, Rawalpindi	Zahida Saleem 246-61-348771	Saleem Mohi uddin	0.733	1.406	0.047	2.186	0.380	0.446	0.085	0.922	1.833

Notes to the Financial Statements - 2005

(Rupees in Million)

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				Principal	Interest/ mark-up	Others	Total			Waiver	Reversal	
1	2	3	4	5	6	7	8	9	10	11	12	
120	Ghandhara Packages(Pvt) Limited Plot No.167Industrial Estate Gadoon Amazai Swabi NWFP.	Akbar Jan Marwat 149-85-0950132 Mst.Farah Akbar 149-89-435782	Dil Jan Khan W/o Akbar Jan Marwat	2.384	0.762	0.109	3.255	0.284	0.762	0.109	0.000	1.155
121	Khan Khela Industries B-7 Industrial Estate Kohat Road, Peshawar.	Mst.Khan Khela 135-92-484744	Widow of LateYar Shah	0.977	4.150	0.132	5.259	0.527	0.607	0.487	3.188	4.809
122	Aftab Hussain H.No.8-40/1555, Rehmat Colony, Sirki Road, Quetta	Aftab Hussain 601-59-230635	Haji M. Hussain	-	0.767	-	0.767	-	0.695	0.072	0.000	0.767
123	Asmatullah House# 19, Sehbaz Town Quetta	Asmatullah 601-59127630	Ghazi Khan	-	0.921	-	0.921	-	0.778	0.143	0.000	0.921
124	Balochistan Manufacture 514A/332 Madrasa Rd, Quetta	1) Shah Muhammad 53403-14415725 2) Asad Alam Khan 520-85-042323	Ali Muhammad Abdul Ghafoor	20.554	30.702	0.716	51.972	14.648	-	27.178	3.524	45.350
125	Fazular Rehman Ten Town, Quetta	Fazular Rehman 604-50-114669	H. Gul Baram	0.292	0.368	0.027	0.687	0.292	-	0.191	0.205	0.688
126	Khuda-e-dad Ten Town, Kansai Road, Quetta	Khuda-e-dad 602-51-366781	Fazul Haq	0.390	-	0.223	0.613	0.390	-	-	0.223	0.613
127	Nasir Khan H.# 2/15 Samad Khan Rd Quetta	Nasir Khan 601-93-448721	Muhammad Aslam	0.482	0.062	-	0.544	0.482	0.062	-	0.000	0.544
128	Raz Muhammad H.# Kilee Samazar, Peshawar	Raz Muhammad 604-93-197246	Baz Muhammad	0.169	0.329	-	0.498	0.169	-	-	0.329	0.498
129	S. Khudan Shah Pindram Rice Mills U Mohammad	S. Khudan Shah 522-87-052312	Jan Muhammad Shah	-	1.919	0.136	2.055	-	1.100	-	0.955	2.055
130	Wazir Muhammad Kilee Dopand Chaman	Wazir Muhammad 602-50-225023	Sultan Ali	0.400	0.369	-	0.769	0.400	0.369	-	0.000	0.769
131	Baluchistan Industrial Trading Plot# 310 Tehsil Somyani	Tariq Shafi 509-90-238585	Shafi Muhammad	2.462	1.074	1.072	4.608	1.645	-	1.468	0.000	3.113
132	Winder Alluminium (Pvt.) 32A, Chaman Housing Scheme	Mir Jan Muhammad Jamali 607-87-171740 Azhar Ahmad 502-84-625419	Noor Muhammad Khan Jamali Dr. Imtaiz Ahmad Khan	8.383	6.064	0.421	14.868	6.883	-	6.485	0.000	13.368
133	Galaxy Textile Mills Ltd. 1201, Kashif Centre Shahrah-E-Faisal, Karachi.	Hamid Gulzar 451-46-110971 Gulzar Ahmed S451-19-027659 Arif Gulzar 451-51-233766 Shahid Gulzar 451-43-094943	Haji Gulzar Ahmed Haji Dost Mohammd Gulzar Mohammad Gulzar Mohammad	17.563	7.666	1.286	26.515	15.928	7.666	1.290	-	24.884
134	Pearl Builders, 185-D, Block-2, PECHS, Karachi.	Fawad M.Mirza 510-63-106635 Dawood Mourkas 515-54-086273	Zafar Hussain Mirza Ali Bhai Mourkas	0.989	1.832	0.029	2.850	0.518	0.195	-	1.637	2.350
135	Rashid Motors 7/A, Shahrah-E-Fatima Jinnah, Lahore.	M. Aslam Chaudhry 272-89-123987	Ch. Noor Mohammad	1.278	3.369	0.345	4.992	-	-	0.191	2.269	2.460
136	Taha International, Room # 21 1st Floor, Chemical Chambers, Adamjee Daood Road, Karachi.	Mrs Amna M. Hanif 507-89-1276611	Abdul Sattar	0.987	7.573	0.488	9.048	-	2.234	0.275	5.339	7.848
137	Al-Hayat Dairies Limited 25-B, 4Th Floor, Textile Plaza, M. A. Jinnah Road, Karachi	Ali Khan Junejo 484-32-064381 Ghulam Mustafa Junejo 484-48-113206 Jan Ali Khan Junejo 484-58-100177 Khair Mohammad Junejo 484-43-066200 Sabina Vawda (Mrs) 517-53-251801 Umar Vawda 502-56-352910	M. Hayat Khan Junejo M. Hayat Khan Junejo Ali Khan Junejo M. Hayat Khan Junejo Umar Vawda Ibrahim Vawda	8.025	11.271	1.594	20.890	8.024	-	1.595	11.271	20.890

Notes to the Financial Statements - 2005

(Rupees in Million)

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				Principal	Interest/ mark-up	Others	Total			Waiver	Reversal	
1	2	3	4	5	6	7	8	9	10	11	12	
138	Allied Granite Mines Limited 6 - Bambino Chambers, Garden Road, Karachi	Muzzafar Hussain 493-88-11706 Syed Qaisar Hasan 409-13-006430 Khan Bahadur 211-86-192507 Arshad Mahmood 434-58-132770 Rahim Bux 518-88-212033 Aijaz Ali Awan 516-86-91758 Salim Rashid 516-86-091758	Syed Hadi Hussain Mansoor Hussain Murad Ali Taj Mohammad Allah Dino Hakim Ali Awan Mohd. Naziruddin	7.264	6.942	1.183	15.389	-	0.358	-	2.325	2.683
139	HMA Stainless Steel Pumps Manufacturer, Sultan Centre, 11, West Wharf Road, Post Box No.6878, Karachi.	Akram Sultan 514-41-068762 Ayesha Akram Sultan (Mrs) 514-45-069609 Amin A. Sultan 514-72-068712 Aziz Sultan 514-71-068712	Late Haji Mohd.Sultan Akram Sultan M.A. Kohari Akram Sultan	3.217	8.202	5.044	16.463	-	-	5.044	5.275	10.319
140	Japan Power Generation 26, Peshawar Block, Fortress Stadium, Lahore Cantt. Lahore	M. Ali Tarakai 16202-0845058-5 Ali Sheikh 16202-845058-5 Shahnaz (Mrs) 270-80-527304 Walayat Ali Tarkai 16202-1034049-5 Zafar Iqbal 16202-101-4910-1 Zafar Mehmood 301-59-135269 Sheikh Nazaz Ali 333-52-86365 Liaqat Khan 130-56-114735 Saito Yushihiro Sheikh Mehmood Ali 333-89-86370 Samina Zafar 278-71-623835	Haji Munir Khan Sheikh Naizar Ali (W/O) Haji Munir Kh. Haji Munir Khan Allah Rakha Sheikh Sher Ali Haji Munir Khan Mohammad Abdul Zen Zu Muniem Sh. Sher Ali W/O. Zafar Mehmood	737.931	113.295	21.943	873.169	-	-	17.920	0.000	17.920
141	Kumaun (Private) Limited 1/G, Marine Drive Apartment, Block - 7, Clifton, Karachi.	Syed Naveed Aziz 210-91-031132 Faiz Muhammad Khan 101-86-215011 Omar Ali Khan 101-86-215012 Ali Yawar Khan 101-89-215013	S.A. Aziz Shaharyar M. Khan Shaharyar M. Khan Shaharyar M. Khan	3.000	2.500	-	5.500	-	-	-	2.500	2.500
142	Marmitex Industries Limited D-26, Office No.2, Mezzanine Floor, 24th Commercial Street, Phase-II, Ext. DHA, Karachi.	Ahmed Saeed Qureshi 515-57-145969 Waris Sardar 514-89-043361	Mohammad Ismail Raees Sardar	130.525	178.865	106.601	415.991	-	6.458	-	41.765	48.223
143	Millrock Quarrying Limited 50, Korangi Creek Road, P.O. Box No. 8277, Karachi - 74900	Bashir Ahmed 512-87-289024 Ishratullah Khan 501-89-492832 Abbas Ali 506-62-305465 Anjum Naveed 211-54-105825 Tahir Agha 502-42-137649	Mohammad Ibrahim Naimatullah Khan Ahmed Ali Mohammad Din Hassan Agha	176.641	226.871	35.997	439.509	-	8.738	-	56.526	65.264
144	Pakistan Fertilizer Company F-124/D, Block No.7, Gulshan-e-Iqbal, Karachi (Wound-up Company 1982)	Public Sector		3.00	14.21	306.76	323.967	3.000	-	306.760	14.210	323.970

Notes to the Financial Statements - 2005

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				Principal	Interest/ mark-up	Others	Total			Waiver	Reversal	
1	2	3	4	5	6	7	8	9	10	11	12	
145	Quality Steel Works Limited D/22, S.I.T.E., Manghopir Road, Karachi	M. Farooq Jeddy 270-89-49749 Saeed Khan 502-90-101569 Mohammad Ziauddin Jeddy 517-39-8341 Mushtaq Ahmed 42101-1798528-9 Mohammad Ismail Mukaddam 42101-1807636-3 Irshad Ahmed 502-51-560740	M. Zahiruddin Jeddy Ansar Elahi Khan M. Naziruddin Jeddy Mohammad Younus Ghulam Mohiyyuddin Mukaddam Faziuddin	448.10	739.252	1.677	1,189.069	240.671	1.677	577.988	161.264	981.600
146	Stone Craft Industries Limited 1st Floor, 9-C, South Park Avenue, Phase-II, Ext. DHA, Karachi.	Tanweer Ahmed 509-62-073401 Wazir Khan 310-42-045923 Abdul Sattar 511-55-063531 Abdul Majeed Khan 310-49-034980 Sanaullah 310-38-220341 Nasrullah Jan 612-46-103402 Abdul Mannan 151-63-009615	Ghulam Hussain Abbasi Baaz Mohammed Khan Abdul Ghaffar Khuda-E-Rehman Khan Rehmatullah Malik Sahab Khan Noor Mohammed	207.547	227.560	161.709	596.816	-	10.184	-	65.864	76.048
147	Taha Spinning Mills Limited 406, Commerce Centre, Hasrat Mohani Road, Karachi	Gulshad Begum (Mrs) 517-44-109025 Nasir Mushtaq Vohra 517-64-219565 Mushtaq Amed Vohra 517-40-219564 Misbah Nasir (Mrs) 270-66-042104 Huma Irfan (Mrs) 517-87-219566 Mohammad Sarfraz 510-59-280358	Mushtaq Ahmed Vohra Mushtaq Ahmed Vohra Haji Mohd Ismail Nasir Mushtaq Vohra Irfan Iqbal Mohammad Ali	25.411	23.303	26.502	75.216	14.243	-	25.007	23.303	62.553
148	Unique Paper Industries Plot No. 45, Sector 12-C, North Karachi Industrial Area, Karachi	Adeel Ahmed Siddiqui 503-92-322487 Javed Mohammad Qureshi 520-93-129531 Mohammad Ahmed 518-51-045908 Razia Qureshi (Mrs) 520-92-513526	A. Qayum Siddiqui Anwer Mohd Qureshi Mohammad Yasin Javed Mohammad	5.072	3.042	4.705	12.819	-	-	4.707	1.715	6.422
149	Zenith Coating Limited HM House, 7, Bank Square, Lahore	Naseer Ahmed 502-44-310046 Imran Saeed 502-90-096388 Waheed Ahmed Khan 272-45-118815 Naseemullah 231-92-004471 Wajid Ali 249-85-209216 Shoukat Ali Khan 249-57-392493 Muhammad Naveed Khan 249-93-349198	Ch. Mohammad Bakhshish Saeed Ahmed Sultan Ahmed Khan Rana M. Arshad Ch. Fateh Ali Khan Yakoob Ali Khan Abdur Rasheed Khan	143.992	159.658	126.178	429.828	-	7.125	-	45.625	52.750
150	Al Qadir Textile Mills Raja House, Near Makki Masjid, Chakwal	Ghulam Ali Raja 37201-8807770-7 Muhammad Bashir Raja 37201-7194345-5 Tasnim Akhtar 37201-7826457-4	Haji Ghulam Qadir Haji Ghulam Qadir Ghulam Ali Raja	142.699	1.643	-	144.342	33.482	-	-	0.000	33.482
151	Hotel De-Papae (Pvt) Ltd 16-D, West Blue Area, 192-A Fazal Haq Road, Islamabad	Mrs.Parveen Akhtar 61101-9476746-6 Shamaila Akhtar 61101-5680940-8	Altaf Hussain Asif Bashir Malik	12.877	11.870	0.791	25.538	-	-	0.791	8.869	9.660
152	Kohinoor Looms Limited 8 KM Riwand Nagar Rd. dist Kasur Lahore	Mian Javed Saigol 270-46-015864 Mrs. Kathleen Saigol (Foreign National) Miss Mehreen Saigol (Foreign National)	M. yousaf Saigol Mian Javed Saigol Mian Javed Saigol	133.92	247.04	615.11	996.07	83.261	-	615.108	247.038	945.407

Notes to the Financial Statements - 2005

(Rupees in Million)

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				Principal	Interest/ mark-up	Others	Total			Waiver	Reversal	
1	2	3	4	5	6	7	8	9	10	11	12	
										Waiver	Reversal	
153	Kunzan Textile Mills Ltd Room # 38, 3rd Floor, Rehman Business Center, Gulberg-III, Lahore	Ishfaq Ur Rehman 35200-9670992-3 Tahir Ahmad Khan 36302-6924762-4 Sajida Parveen 36602-4561291-1	Abdul Rehman Shahid Ahmad Ishfaq-ur-Rehman	65.339	56.418	-	121.757	56.110	-	8.764	47.657	112.531
154	Rehmat Ind. Limited 4-1, Industrial Estate, Multan	Muhammad Azeem 36302-7187185-3 Muhammad Khalid 36302-8264239-9 Mrs. Kaneez Akhtar 36302-6904525-2	Haji Rehmat Ullah Haji Rehmat Ullah Mohd. Arif Khokhar	38.853	24.411	1.082	64.346	30.352	4.673	1.081	19.739	55.845
155	Reshi Textile Mills Reshi Building, 110 West Fazal Haq Road, Islamabad	Khawaja Khurshheed Elahi 61101-1995562-7 Razia Begum 61101-1904436-2 Altaf Hussain Reshi 101-62-616106 Shaikat Ahmad 210-64-276808	Khawaja Ghulam Ahmad Khawaja Ghulam Ahmad Khawaja Ghulam Ahmad Khawaja Ghulam Ahmad	50.000	56.028	0.029	106.057	31.569	-	0.030	56.027	87.626
156	Tahir Tariq Textile Mills 18-Model Town Rahim Yar Khan	Muhammad Shafi 358-85-238717 Tariq Shafi 358-88-238713 Tahir Shafi 358-89-238716	Nathu Muhammad Shafi Muhammad Shafi	5.238	3.422	0.432	9.092	2.738	-	0.432	3.422	6.592
157	Waraich Textile Ind (Pvt) Ltd	Muzaffar Ahmad Waraich 38403-2850081-7 Bilal A. Muzaffar 38403-2300456-7	Nasir Ahmad Waraich Muzaffar Ah. Waraich	4.907	0.548	0.030	5.485	-	0.548	0.030	0.000	0.578
158	Allalin Trading Co. Ltd. Flat BSL 12/F, Shunwai Industrial Bldg. No.15, Yuk Yat Street, Tokwawam Kowloon, Hongkong	Mohammad Rashid Zarina Violat Nawaz		1.261	-	-	1.261	1.261	-	-	0.000	1.261
159	Banaras Indian Carpet Industries, Flat F-1/F, Hankow Apartment, TST, Kowloon, Hongkong	Mohamad Ali Sheikh Reahmatullah		3.993	-	-	3.993	3.993	-	-	0.000	3.993
160	Bina Industries Ltd. 601-2 Stag Bldg. 148-50 Queens Rd, Central Hongkong	M. J. Mohandas M. U. Anand		4.233	-	-	4.233	4.233	-	-	0.000	4.233
161	Heng Hing Enterprises Ltd. 750-758 Nathan Road, Kowloon, Hongkong	LI Yerk Hon SZE Sui Fai Lai Shuk Yee		6.979	-	-	6.979	6.979	-	-	0.000	6.979
162	Japeco Watch Manufacturing Room No.602, 6th Floor Hewlett Centre, 52-54, HOI Yuen Road, Kwun Tong, Kowloon, Hongkong	Fayyaz Ahmed Khan Bashir Mohammad		2.332	2.461	-	4.793	2.332	2.461	-	0.000	4.793
163	Queen's Products Limited 4/F Yau Hing Bldg. 246 Cheung Sha Won Road, Kowloon, Hongkong	Deljit Singh Randaawa Devraj N. Aiyar		3.732	1.848	-	5.580	3.732	-	1.848	0.000	5.580
164	Shrimati Ltd. 6/F, Rear Block, Ocean View Court 25-A, Chatham Road, Kowloon, Hongkong	Guria Chandan Ramchand Guria Deepak Ramchand		34.052	-	-	34.052	34.052	-	-	0.000	34.052
165	Sun Rise International 11/FL, Wing Cheding Commerce, 19/25 Jervois Street, Hongkong	M. J. Mohandas M. U. Anand		1.045	0.562	-	1.607	1.045	-	0.562	0.000	1.607
166	Taxtrade International Ltd. 103 Kai Wong Commercial Bldg. 222-226, Queen's Road, Central Hong Kong	Zubair Mohammad Siddiqui Muhammad Junaid Zubair Shabana		15.018	2.913	-	17.931	15.018	-	2.913	0.000	17.931
			Grand Total:	3677.063	3472.696	1478.698	8628.457	896.526	112.370	2298.571	1398.603	4706.070

Pattern of Shareholding (as of December 31, 2005)

NO. OF SHAREHOLDERS	HAVING SHARES		SHARES HELD	PERCENTAGE
	FROM	TO		
1069	1	100	52872	.0089
1359	101	500	397520	.0672
1255	501	1000	979346	.1657
4167	1001	5000	8276174	1.4006
374	5001	10000	2759458	.4669
115	10001	15000	1436729	.2431
74	15001	20000	1300029	.2200
49	20001	25000	1128690	.1910
38	25001	30000	1074648	.1818
16	30001	35000	521431	.0882
13	35001	40000	490657	.0830
16	40001	45000	673553	.1139
25	45001	50000	1219584	.2063
11	50001	55000	585893	.0991
17	55001	60000	998497	.1689
7	60001	65000	435360	.0736
9	65001	70000	613320	.1037
12	70001	75000	867522	.1468
5	75001	80000	389798	.0659
7	80001	85000	592000	.1001
5	85001	90000	438650	.0742
7	90001	95000	644725	.1091
13	95001	100000	1291420	.2185
5	100001	105000	516337	.0873
6	105001	110000	653100	.1105
3	110001	115000	340100	.0575
4	115001	120000	466800	.0789
9	120001	125000	1100750	.1862
3	125001	130000	380348	.0643
2	130001	135000	264120	.0446
2	140001	145000	282776	.0478
5	145001	150000	740140	.1252
1	150001	155000	150208	.0254
1	155001	160000	155182	.0262
2	160001	165000	326477	.0552
2	165001	170000	333280	.0564
2	170001	175000	349000	.0590
2	175001	180000	355508	.0601
4	180001	185000	728476	.1232
2	185001	190000	378704	.0640
4	190001	195000	776500	.1314
3	195001	200000	600000	.1015
3	205001	210000	625550	.1058
2	210001	215000	425825	.0720
1	220001	225000	223700	.0378
2	230001	235000	467000	.0790
2	240001	245000	484400	.0819
1	245001	250000	250000	.0423
1	250001	255000	250080	.0423
2	260001	265000	525200	.0888
2	265001	270000	536471	.0907
2	270001	275000	546335	.0924
2	275001	280000	554668	.0938
1	280001	285000	285000	.0482
2	285001	290000	574700	.0972
2	295001	300000	598000	.1012
3	305001	310000	921922	.1560
3	310001	315000	937300	.1586
1	325001	330000	328658	.0556
1	330001	335000	335000	.0566

Pattern of Shareholding (as of December 31, 2005)

NO. OF SHAREHOLDERS	HAVING SHARES		SHARES HELD	PERCENTAGE
	FROM	TO		
1	335001	340000	335286	.0567
1	345001	350000	349000	.0590
2	350001	355000	701061	.1186
1	360001	365000	361500	.0611
3	365001	370000	1109279	.1877
1	375001	380000	378100	.0639
2	380001	385000	765600	.1295
1	395001	400000	397605	.0672
1	400001	405000	403000	.0682
1	410001	415000	413000	.0698
1	435001	440000	435846	.0737
1	445001	450000	450000	.0761
2	470001	475000	946704	.1602
1	475001	480000	478500	.0809
3	495001	500000	1499000	.2536
1	500001	505000	500080	.0846
1	510001	515000	510500	.0863
2	525001	530000	1056000	.1787
1	540001	545000	545000	.0922
1	585001	590000	587540	.0994
2	590001	595000	1186220	.2007
2	620001	625000	1244573	.2106
1	625001	630000	626450	.1060
2	630001	635000	1263608	.2138
1	635001	640000	635030	.1074
1	715001	720000	718560	.1216
1	720001	725000	720370	.1219
1	730001	735000	733600	.1241
1	780001	785000	784400	.1327
1	790001	795000	791100	.1338
1	805001	810000	809300	.1369
1	845001	850000	849400	.1437
1	870001	875000	875000	.1480
1	895001	900000	896600	.1517
1	1010001	1015000	1010300	.1709
1	1040001	1045000	1044800	.1768
1	1085001	1090000	1089800	.1844
1	1115001	1120000	1115900	.1888
1	1190001	1195000	1192510	.2018
1	1195001	1200000	1198250	.2027
1	1230001	1235000	1234600	.2089
1	1610001	1615000	1610788	.2726
1	1730001	1735000	1732790	.2932
1	1815001	1820000	1818260	.3077
1	1980001	1985000	1983500	.3356
1	1995001	2000000	1998800	.3382
1	2655001	2660000	2658240	.4498
1	2940001	2945000	2943806	.4981
1	5615001	5620000	5619800	.9510
1	7380001	7385000	7385000	1.2498
1	10550001	10555000	10552500	1.7858
1	12680001	12685000	12683071	2.1464
1	18385001	18390000	18388620	3.1120
1	444335001	444340000	444339108	75.1979

8823

590892746

100.0000

Categories of Shareholders (as of December 31, 2005)

PARTICULARS	SHAREHOLDERS	SHAREHOLDING	PERCENTAGE
GOVERNMENT OF PAKISTAN	1	1732790	.2932
THE PRESIDENT OF PAKISTAN	2	460156	.0778
STATE BANK OF PAKISTAN	1	444339108	75.1979
ASSOCIATED COMPANIES - TAURUS SECURITIES LTD.	2	5460	.0009
CHAIRMAN & PRESIDENT	-	-	-
EXECUTIVES OF THE BANK	17	30777	.0052
NIT & ICP	3	1002307	.1696
BANKS, DFI & NBFIs	72	19003605	3.2160
INSURANCE COMPANIES	14	17915887	3.0320
MODARABAS & MUTUAL FUNDS	52	8268673	1.3993
PUBLIC SECTOR COs. & CORP.	21	2878356	.4871
GENERAL PUBLIC (LOCAL)	8176	32037719	5.4219
GENERAL PUBLIC (FOREIGN)	271	824440	.1395
OTHERS	168	8338398	1.4111
FOREIGN COMPANIES	23	54055070	9.1480
COMPANY TOTAL	8823	590892746	100.0000



NBP Kisan Dost

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PRESIDENT's SECRETARIAT

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PSO to the President / Head of P.R.
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Iqbal Javed Shaheen
Senior Vice President
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Fax: (021) 9212269

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FI & CMD

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Fax: (042) 9211223
Peshawar Office:
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Muhammad Akram Khan
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Fazalur Rehman
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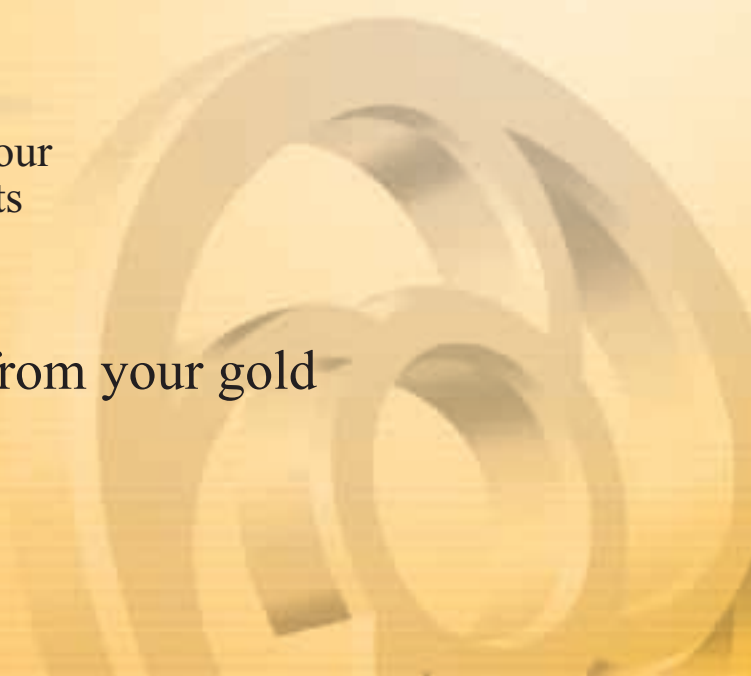
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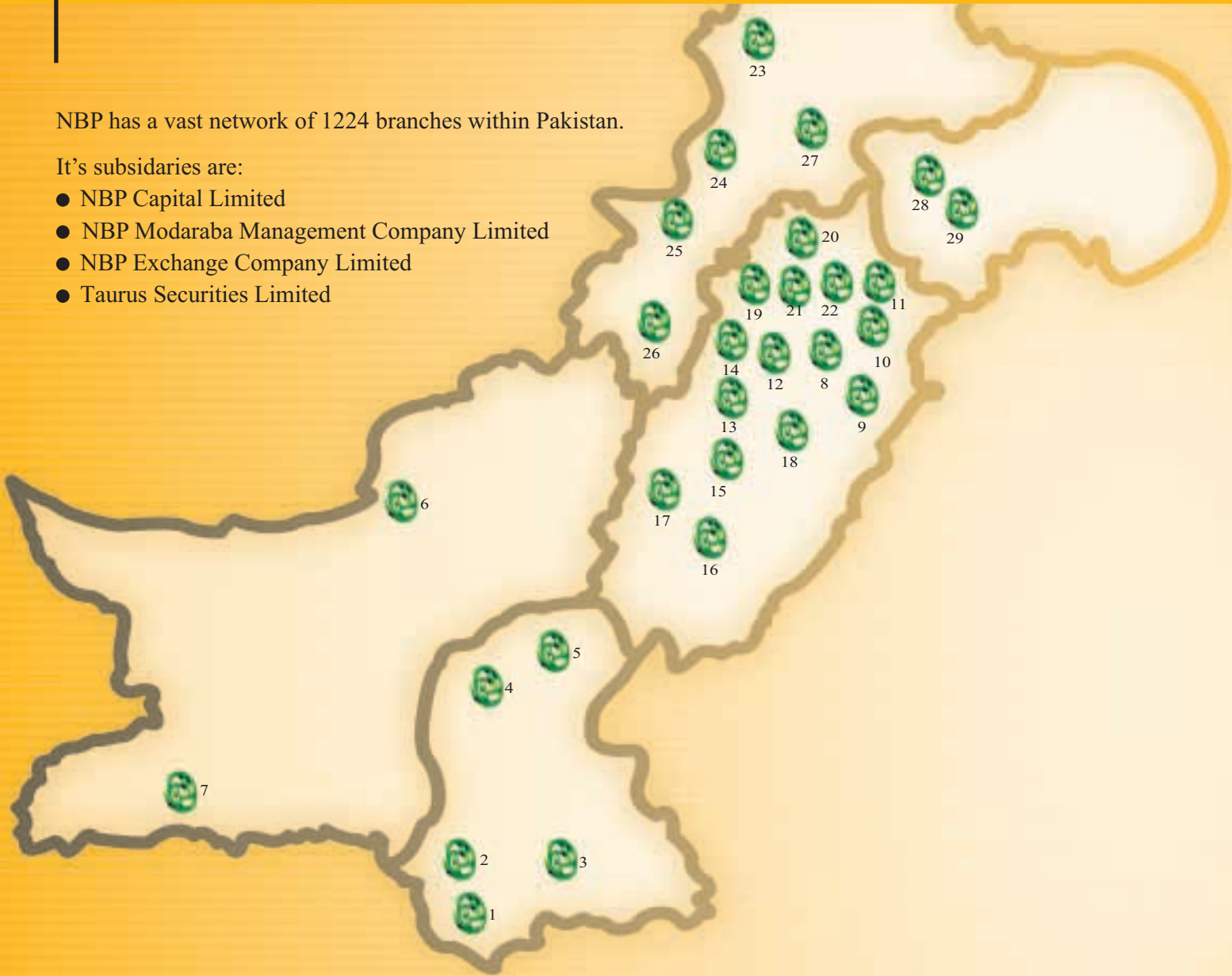


Domestic Operations

NBP has a vast network of 1224 branches within Pakistan.

It's subsidiaries are:

- NBP Capital Limited
- NBP Modaraba Management Company Limited
- NBP Exchange Company Limited
- Taurus Securities Limited



REGIONAL OFFICES

1.	Karachi (South)	11.	Sialkot	21.	Jhelum
2.	Karachi (West)	12.	Faisalabad	22.	Gujrat
3.	Hyderabad	13.	Jhang	23.	Gilgit
4.	Larkana	14.	Sargodha	24.	Peshawar
5.	Sukkur	15.	Multan	25.	Mardan
6.	Quetta	16.	Bahawalpur	26.	Dera Ismail Khan
7.	Gawadar	17.	Dera Ghazi Khan	27.	Abbottabad
8.	Lahore (Central)	18.	Sahiwal	28.	Muzaffarabad (A.K.)
9.	Lahore (East)	19.	Federal Capital - Islamabad	29.	Mirpur (A.K.)
10.	Gujranwala	20.	Rawalpindi		

Domestic Operations

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Domestic Operations

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Domestic Operations

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Overseas Operations



18 OVERSEAS BRANCHES

United States of America	2	Bangladesh	2
France	1	Republic of Korea	1
Germany	1	Kyrgyzstan	1
Bahrain	1	Japan	2
Turkmenistan	1	Hong Kong	2
Pakistan EPZ	1	Azerbaijan	1
Afghanistan	2		

Subsidiary	Joint Venture	Representative Office
<ul style="list-style-type: none"> NBP Almaty 	<ul style="list-style-type: none"> United National Bank (UK) 	<ul style="list-style-type: none"> Canada USA (Chicago) China Uzbekistan

Overseas Operations



NBP is the only Pakistani bank to have representative offices in Canada, China and Uzbekistan. The economic potential of these locations is enormous. NBP was the first international bank to open its branch in Kabul in October 2003.

Senior Management Overseas Operations

R. A. Kaleemi

SEVP / Chief Representative, Canada Office

M. Rafique Bengali

SEVP / Regional Chief Executive, America Region

Asif Hassan

SEVP & Regional Chief Executive, Far East Region

Nausherwan Adil

SEVP & Regional Chief Executive, Europe Region

M. Farooq Saleem

EVP & Regional Chief Executive, Central Asian Republics Region

Zubair Ahmed

EVP & Regional Chief Executive, Middle East, Africa & South Asia Region

Overseas Operations

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Overseas Operations

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Subsidiaries' Accounts

Copies of the audited accounts of the subsidiaries can be inspected by the shareholders of the bank during business hours at the registered office of the bank.

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57th Annual General Meeting of National Bank of Pakistan

Form of Proxy

Folio No. _____ or CDC participant identity No. _____ CDC A/C No. _____

I/We _____

of _____

being a member(s) of the National Bank of Pakistan holding shares No. _____

HEREBY APPOINT _____ of _____

also a member of the National Bank of Pakistan (Folio No. _____) or failing him/her _____

_____ of _____ also a member of National Bank of Pakistan (Folio No. _____) as my/our proxy to

vote for me / us and on my / our behalf at the 57th Annual General Meeting of National Bank of Pakistan, to be held at 3.00 p.m

on Thursday , the 27th day of April 2006 and at any adjournment thereof.

Signed this _____ day of _____ 2006.

Witnesses:

1. Name: _____

Address: _____

N.I.C. No. _____

Affix Revenue Stamp

of Five Rupees

2. Name: _____

Address: _____

N.I.C. No. _____

Signature _____

(Signature should agree with the specimen signature registered with the Bank).

NOTES:

A. General

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. No person shall act as a proxy, who is not a member of the bank except that Government of Pakistan / State Bank of Pakistan / Corporation may appoint a person who is not a member.
2. The instrument appointing a proxy should be signed by the member or his/her attorney duly authorized in writing. If the member is a corporation (other than Government of Pakistan and State Bank of Pakistan), its common seal should be affixed on the instrument.
3. The instrument appointing a proxy, together with the power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited, with our Registrar / Transfer Agents, Messrs THK Associates (Pvt.) Ltd. Ground Floor, Modern Motors House, Beaumont Road, Karachi, not less than 48 hours before the time of holding the meeting.
4. If a member appoints more than one proxy, and more than one instrument of proxy are deposited by a member with the bank, all such instruments of proxy shall be rendered invalid.

B. For CDC Accounts Holders:

1. The proxy form shall be witnessed by two persons whose names, addresses and NIC numbers shall be mentioned on the form.
2. Attested copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
3. The proxy shall produce his / her original NIC or original passport at the time of the meeting.
4. In case of Government of Pakistan / State Bank of Pakistan / Corporate entity, the Board of Directors' resolution, / power of attorney with specimen signature shall be submitted along with proxy form to the bank.



Afroze Textile Industries (Pvt.) Limited

PKR 400 Million
Syndicated Term Finance Facility

PKR 150 Million
Term Finance Facility

PKR 350 Million
Working Capital Lines

PKR 250 Million
Foreign Bill Discounting Limit

Structured and Financed By



National Bank of Pakistan

June 2005



AL-ABBAS CEMENT INDUSTRIES LTD.
(FORMERLY ESSA CEMENT INDUSTRIES LTD.)

AL-ABBAS CEMENT INDUSTRIES (PVT.) LIMITED

PKR 438 Million
Term Finance Facility

PKR 900 Million
Letter of Credit (Sight) facility

Structured and Financed By



National Bank of Pakistan

December 2005



Karachi Electric Supply Corporation Limited

PKR 2,250 Million
Term Finance Facility

PKR 3,000 Million
Letter of Credit (Sight) Facility

PKR 1,600 Million
Inland Letter of Credit Facility

Structured and Financed By



National Bank of Pakistan

December 2005



Lucky Cement Limited

PKR 1,000 Million
Term Finance Facility

PKR 1,250 Million
Letter of Credit (Sight) Facility

USD 15 Million
FE-25 Facility

Structured and Financed By



National Bank of Pakistan

December 2005



NBP

National Bank of Pakistan

Head Office
*NBP Building, I.I. Chundrigar Road,
Karachi, Pakistan*