

The General Manager

 Karachi Stock Exchange (Guarantee) Ltd.
 Karachi

Dear Sir,

Sub: FINANCIAL RESULTS OF THE BANK FOR THE QUARTER ENDED SEPTEMBER 30, 2007

We have to inform you that the Board of Directors of the Bank in their meeting held at 10:30 a.m. on Saturday, October 27, 2007 has recommended the following:

| | | |
|-----|---------------|-----|
| i | Cash Dividend | Nil |
| ii | Bonus shares | Nil |
| iii | Right Issue | Nil |

| | Quarter Ended September 30, 2007 | Period Ended September 30, 2007 | Quarter Ended September 30, 2006 | Period Ended September 30, 2006 |
|--|---|--|---|--|
| | (Rupees in '000) | | | |
| Mark-up / return / interest earned | 323,042 | 668,704 | 259,192 | 571,558 |
| Mark-up / return / interest expensed | 311,468 | 939,739 | 220,915 | 477,815 |
| Net mark-up / interest income | 11,574 | 48,965 | 38,277 | 93,743 |
| Provision against non-performing loans and advances | 39,798 | 42,662 | 14,782 | 16,432 |
| Reversal of provision for diminution in value of investments | - | (303) | - | - |
| Bad debts written off directly | - | 5 | - | - |
| Net mark-up / interest income after provisions | (28,224) | 6,401 | 23,495 | 77,311 |
| Non mark-up / interest income | | | | |
| Fee, commission and brokerage income | 5,176 | 14,064 | 3,314 | 7,184 |
| Dividend income | 24,913 | 32,534 | 9,350 | 11,024 |
| Income from dealing in foreign currencies | 13,737 | 18,114 | 1,852 | 5,936 |
| Gain on sale of securities | 51,957 | 169,837 | 10,904 | 32,737 |
| Unrealised gain / (loss) on revaluation of investments classified as held for trading | 4,889 | 3,903 | 1,054 | (704) |
| Other Income | 2,447 | 6,183 | 1,711 | 2,286 |
| Total non mark-up / interest income | 103,119 | 344,635 | 27,985 | 58,453 |
| | 74,895 | 251,036 | 51,480 | 135,774 |
| Non mark-up / interest expenses | | | | |
| Administrative expenses | 164,414 | 385,282 | 75,521 | 177,429 |
| Other provisions / write offs | - | - | - | - |
| Other charges | 2,857 | 3,196 | - | 664 |
| Total non mark-up / interest expenses | 167,271 | 388,478 | 75,521 | 178,093 |
| | (92,376) | (137,442) | (24,041) | (42,119) |
| Extraordinary items / unusual items | - | - | - | - |
| Loss before taxation | (92,376) | (137,442) | (24,041) | (42,119) |
| Taxation - Current | 3,534 | 10,539 | 2,616 | 4,221 |
| - Prior | (377) | (377) | (9,294) | (31,477) |
| - Deferred | (39,177) | (93,974) | (18,528) | (27,705) |
| | (35,920) | (83,812) | (25,206) | (54,961) |
| (Loss) / profit after taxation | (92,376) | (83,812) | (25,206) | (54,961) |
| Accumulated loss brought forward | (9,501) | (12,327) | (7,596) | (19,273) |
| Accumulated loss before appropriation of statutory reserve | (65,957) | (65,957) | (6,431) | (6,431) |
| Earnings per share - basic and diluted (Rupee) | (0.18) | (0.17) | 0.01 | 0.07 |