

February 22, 2008

The General Manager
 Karachi Stock Exchange (Guarantee) Ltd.
 Karachi

Dear Sir,

Sub: **FINANCIAL RESULTS OF THE BANK FOR THE YEAR ENDED DECEMBER 31, 2007**

We have to inform you that the Board of Directors of the Bank in their meeting held at 9:30 a.m. on Friday, February 22, 2008 has recommended the following:-

Cash Dividend	Bonus Shares	Right Issue
Nil	Nil	Nil

	2007 ------(Rupees '000)-----	2006
Mark-up / Return / Interest earned	1,338,459	892,583
Mark-up / Return / Interest expensed	1,294,428	763,083
Net Mark-up / Interest income	44,031	129,500
Provision against non-performing loans and advances (Reversal of) / provision for diminution in the value of investments Bad debts written off directly	271,756 (303) 5	54,875 3,320 -
Net Mark-up / Interest / (loss) / income after provisions	271,458 (227,427)	58,195 71,305
NON MARK-UP / INTEREST INCOME		
Fee, commission and brokerage income	22,691	10,200
Dividend income	37,793	15,819
Income from dealing in foreign currencies	15,485	12,253
Gain on sale / redemption of securities	264,655	57,030
Unrealized loss on revaluation of investments classified as held for trading	(1,993)	(2,602)
Other income	8,155	3,888
Total non mark-up / interest income	346,786	96,588
	119,359	167,893
NON MARK-UP / INTEREST EXPENSES		
Administrative expenses	665,546	308,205
Other provisions / write offs	-	-
Other charges	3,377	524
Total non mark-up / interest expenses	668,923	308,729
	(549,564)	(140,836)
Extraordinary / unusual items	-	-
LOSS BEFORE TAXATION	(549,564)	(140,836)
Taxation - Current	13,399	8,217
- Prior years	(377)	(105,934)
- Deferred	(253,542)	(51,801)
	(240,520)	(149,518)
(LOSS) / PROFIT AFTER TAXATION	(309,044)	8,682
Accumulated loss brought forward	(12,327)	(19,273)
Accumulated loss before appropriation of statutory reserve	(321,371)	(10,591)
Appropriations		
Transfer to		
statutory reserve	-	1,736
capital reserve	-	-
revenue reserve	-	-
Others	-	-
	-	1,736
Accumulated loss carried forward	(321,371)	(12,327)
	(0.93)	Restated 0.03

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