

PAK-LIBYA HOLDING COMPANY (PRIVATE) LIMITED
BALANCE SHEET
AS AT DECEMBER 31, 2006

	Note	2006	2005 Restated
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	6	48,313	6,470
Balances with other banks	7	21,035	167,980
Lendings to financial institutions	8	4,839,307	3,810,000
Investments	9	3,561,789	3,956,559
Advances	10	3,837,261	3,493,832
Operating fixed assets	11	66,774	72,470
Deferred taxation	12	185,043	130,693
Other assets	13	250,381	216,144
		12,809,903	11,854,148
LIABILITIES			
Bills payable		-	-
Borrowings	15	7,033,571	6,801,659
Deposits and other accounts	16	1,510,250	1,915,509
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred taxation		-	-
Other liabilities	17	208,011	175,201
		8,751,832	8,892,369
NET ASSETS		<u>4,058,071</u>	<u>2,961,779</u>
REPRESENTED BY			
Share capital	18	3,241,780	2,161,780
Reserves	19	762,309	683,354
Unappropriated profit		237,572	221,751
		4,241,661	3,066,885
Deficit (net) on revaluation of securities	20	(183,590)	(105,106)
		<u>4,058,071</u>	<u>2,961,779</u>
CONTINGENCIES AND COMMITMENTS	21		

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

Chief Financial Officer

Managing Director

Managing Director

Director

PAK-LIBYA HOLDING COMPANY (PRIVATE) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2006

	Note	2006	2005 Restated
Rupees in '000			
Mark-up/return/interest earned	23	936,778	757,702
Mark-up/return/interest expensed	24	604,916	470,032
Net mark-up/interest income		331,862	287,670
Provision against non-performing loans and advances	10.5.1	(48,502)	(9,513)
Reversal of provision for diminution in the value of investments	9.11 and 9.12	6,558	9,319
Reversal of provision against lendings to financial institutions	8.1	-	10,650
Bad debts written off directly	10.5.3	-	(28)
		(41,944)	10,428
Net mark-up/interest income after provisions		289,918	298,098
NON MARK-UP/INTEREST INCOME			
Fee, commission and brokerage income		6,017	6,239
Dividend income		25,682	18,887
Income from dealing in foreign currencies		-	-
Gain on sale of securities	25	72,376	18,162
Unrealised (loss) / gain on revaluation of investments classified as 'held for trading'		(1,495)	564
Other income	26	31,339	7,682
Total non mark-up/interest income		133,919	51,534
		423,837	349,632
NON MARK-UP/INTEREST EXPENSES			
Administrative expenses	27	146,499	140,695
Provision / (reversal) of provision for diminution in the value of investments	9.9 and 9.10	27,195	(16,984)
Fee, commission and brokerage expenses		2,091	1,417
Provision against other assets	13.3	94	-
Other assets written off directly	13.3.1	29	-
Other charges	28	126	150
Total non mark-up/interest expenses		176,034	125,278
		247,803	224,354
Extraordinary/unusual items		-	-
PROFIT BEFORE TAXATION		247,803	224,354
Taxation – current	29	6,613	5,451
– for prior years		(666)	(4,156)
– deferred		(52,920)	(48,533)
PROFIT AFTER TAXATION		(46,973)	(47,238)
		294,776	271,592
Unappropriated profit brought forward		221,751	274,477
Profit available for appropriation		516,527	546,069
Basic earnings per share (Rupees)	30	1,210	1,150

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Chief Financial Officer

Managing Director

Managing Director

Director

PAK-LIBYA HOLDING COMPANY (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2006

	Issued, subscribed and paid up share capital	RESERVES			Total	
		Capital reserves		Revenue reserves		
		Statutory reserve	Reserve for issue of bonus shares	Reserve for contingencies Unappropriated profit		
-----Rupees in '000-----						
Balance as at January 1, 2005 – as reported earlier	2,161,780	209,036	-	420,000	4,477	2,795,293
Effect as at January 1, 2005 of change in accounting policy with respect to appropriation after the balance sheet date	-	-	-	(270,000)	270,000	-
Balance as at January 1, 2005 – restated	2,161,780	209,036	-	150,000	274,477	2,795,293
Profit after taxation for the year ended December 31, 2005	-	-	-	-	271,592	271,592
Transfer to statutory reserve	-	54,318	-	-	(54,318)	-
Transfer to reserve for contingencies	-	-	-	270,000	(270,000)	-
Balance as at December 31, 2005 - restated	2,161,780	263,354	-	420,000	221,751	3,066,885
Profit after taxation for the year ended December 31, 2006	-	-	-	-	294,776	294,776
Reserve for issue of bonus shares	-	-	200,000	-	(200,000)	-
Issue of bonus shares	200,000	-	(200,000)	-	-	-
Transfer to statutory reserve	-	58,955	-	-	(58,955)	-
Right shares issued	880,000	-	-	-	-	880,000
Transfer to reserve for contingencies	-	-	-	20,000	(20,000)	-
Balance as at December 31, 2006	3,241,780	322,309	-	440,000	237,572	4,241,661

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

Chief Financial Officer

Managing Director

Managing Director

Director

PAK-LIBYA HOLDING COMPANY (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2006

	2006	2005
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	247,803	224,354
Less: Dividend income	(25,682)	(18,887)
	222,121	205,467
Adjustments:		
Depreciation	15,833	13,769
Provision against non-performing loans and advances	48,502	9,513
Unrealised loss/(gain) on revaluation of 'held-for-trading' securities	1,495	(564)
Reversal of provision against lendings to financial institutions	-	(10,650)
Provision against other assets	94	-
Other assets directly written off	29	-
Provision / (reversal) for diminution in the value of investments	20,637	(26,303)
Gain on liquidation of a subsidiary	(24,036)	-
Bad debts written off directly	-	28
Gain on sale of operating fixed assets	(438)	(2,039)
	62,116	(16,246)
	284,237	189,221
(Increase)/decrease in operating assets		
Lendings to financial institutions	(994,307)	(150,604)
Held-for-trading securities	66,683	(1,785)
Advances	(391,931)	(1,383,720)
Other assets	(72,840)	(49,673)
	(1,392,395)	(1,585,782)
Increase/(decrease) in operating liabilities		
Borrowings	231,912	736,917
Deposits and other accounts	(405,259)	(160,459)
Other liabilities	32,810	80,137
	(140,537)	656,595
	(1,248,695)	(739,966)
Income tax refund / (paid)	29,804	(1,157)
Net cash flow from operating activities	(1,218,891)	(741,123)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(1,216,759)	636,105
Net investments in held-to-maturity securities	1,362,600	(306,216)
Dividends received	28,411	14,369
Investments in operating fixed assets	(10,912)	(20,217)
Proceeds (net) on liquidation of a subsidiary	104,236	-
Proceeds on sale of operating fixed assets	1,213	4,638
Net cash flow from investing activities	268,789	328,679
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital	880,000	-
Net cash flow from financing activities	880,000	-
Increase in cash and cash equivalents	(70,102)	(412,444)
Cash and cash equivalents at beginning of the year	299,450	711,894
Cash and cash equivalents at end of the year	229,348	299,450

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Chief Financial Officer

Managing Director

Managing Director

Director