

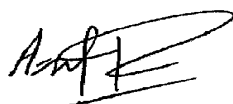
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007**

	(Un audited ) Mar. 31, 2007	(Audited ) Dec. 31, 2006
	('Rupees in '000)	
<b>ASSETS</b>		
Cash and balances with treasury banks	47,980,826	49,023,540
Balances with other banks	18,236,876	19,418,278
Lendings to financial institutions	17,274,764	29,572,070
Investments	5 88,589,869	65,735,128
Advances	6 259,329,010	254,670,492
Other assets	10,278,214	10,200,122
Operating fixed assets	6,329,411	6,362,492
Deferred tax assets - net	1,027,129	907,575
	449,046,099	435,889,697
<b>LIABILITIES</b>		
Bills payable	4,319,933	4,627,769
Borrowings from financial institutions	7 29,510,298	38,679,808
Deposits and other accounts	8 361,951,090	343,804,830
Sub-ordinated loans	5,997,904	5,998,344
Liabilities against assets subject to finance lease	4,193	6,966
Other liabilities	13,022,564	9,594,496
	414,805,981	402,712,213
<b>NET ASSETS</b>	<b>34,240,118</b>	<b>33,177,484</b>
<b>REPRESENTED BY</b>		
Share capital	6,475,000	6,475,000
Reserves	11,171,669	9,329,564
Unappropriated profit	11,915,127	12,930,344
	29,561,796	28,734,908
Minority interest	2,019,874	1,772,168
	31,581,670	30,507,076
Surplus / (Deficit) on revaluation of assets	2,658,448	2,670,408
	34,240,118	33,177,484


**CONTINGENCIES AND COMMITMENTS**

9

The annexed notes 1 to 12 form an integral part of these financial statements.



 Atif R. Bokhari  
 President and  
 Chief Executive Officer



 Abdul Rauf Malik  
 Director



 Sir Mohammed Anwar Pervez, OBE, HPk  
 Deputy Chairman



 Nahayan Mabarak Al Nahayan  
 Chairman

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED MARCH 31, 2007 - (Unaudited)**
**Mar. 31, 2007 Mar. 31, 2006**  
**(Rupees '000)**

Mark-up / Return / Interest Earned	9,866,894	7,217,977
Mark-up / Return / Interest Expensed	<u>(3,875,267)</u>	<u>(2,629,556)</u>
Net Mark-up / Interest Income	5,991,627	4,588,421
Provision for non-performing loans and advances	<u>(143,156)</u>	<u>(235,007)</u>
Provision for diminuation in value of investment	(6,750)	(17,697)
General provision against consumer loans	(49,425)	(144,169)
Bad debts written off directly	<u>(154,226)</u>	<u>(20,311)</u>
	<u>(353,557)</u>	<u>(417,184)</u>
Net Mark-up / Interest Income after provisions	5,638,070	4,171,237

**NON MARK-UP/INTEREST INCOME**

Fee, Commission and Brokerage Income	<u>1,150,507</u>	<u>862,940</u>
Dividend Income/ Gain on sale of securities	450,341	280,838
Income from dealing in foreign currencies	244,319	178,142
Other Income	<u>352,444</u>	<u>295,490</u>
Total non-markup/interest Income	<u>2,197,611</u>	<u>1,617,409</u>
	7,835,681	5,788,647

**NON MARK-UP / INTEREST EXPENSES**

Administrative expenses	<u>(3,106,472)</u>	<u>(2,396,992)</u>
Other provisions / write offs	(52,222)	7,500
Other charges	<u>(509)</u>	<u>(37)</u>
Total non-markup / interest expenses	<u>(3,159,203)</u>	<u>(2,389,529)</u>
	4,676,477	3,399,118

Extra ordinary / unusual items

**PROFIT BEFORE TAXATION**

	<b>4,676,477</b>	<b>3,399,118</b>
Taxation – Current/ prior	<u>(1,630,962)</u>	<u>(152,579)</u>
- Deferred	<u>134,681</u>	<u>(1,097,281)</u>
	<u>(1,496,281)</u>	<u>(1,249,860)</u>

**PROFIT AFTER TAXATION**

Share of Minority Interest	<u>(41,738)</u>	<u>(26,178)</u>
	<b>3,180,197</b>	<b>2,149,258</b>
Unappropriated Profit / (Loss) brought forward	<u>12,930,344</u>	<u>7,790,148</u>
	16,068,803	9,913,228
Transferred from surplus on revaluation of fixed assets-net of tax	<u>23,614</u>	<u>23,614</u>
Profit / (accumulated loss) before appropriations	<u>16,092,417</u>	<u>9,936,842</u>

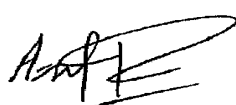
**APPROPRIATIONS**

Transfer to statutory reserve	(616,040)	(452,021)
Cash Dividend 2006:Rs 3.00 (2005:Rs 2.50) per share	(1,942,500)	(1,295,000)
Transfer to reserve for issue of bonus shares @25% (2005 @ 25%)	<u>(1,618,750)</u>	<u>(1,295,000)</u>
<b>Unappropriated profit/ (accumulated loss) carried forward</b>	<u>11,915,127</u>	<u>6,894,821</u>

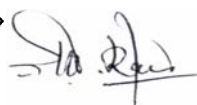
**Basic earnings per share**
**Diluted earnings per share**

	<b>Rupees</b>	
	<u>4.85</u>	<u>3.28</u>
	<u>3.88</u>	<u>2.62</u>

The annexed notes 1 to 12 form an integral part of these financial statements.



 Atif R. Bokhari  
 President and  
 Chief Executive Officer



 Abdul Rauf Malik  
 Director



 Sir Mohammed Anwar Pervez, OBE, HPK  
 Deputy Chairman



 Nahayan Mabarak Al Nahayan  
 Chairman

**CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED MARCH 31, 2007**

	<b>Mar. 31, 2007</b>	<b>Mar. 31, 2006</b>
	('Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,676,477	3,399,118
Less: Dividend income	(130,133)	(25,262)
	<u>4,546,344</u>	<u>3,373,856</u>
<b>Adjustments for non-cash charges</b>		
Depreciation	182,487	119,986
Provision for retirement benefits	41,219	40,576
Provision Against Non-performing Advances	192,581	379,176
Provision for Diminution in the value of investments	6,750	17,697
(Gain) on sale of fixed assets	(16,774)	(166)
Finance Charges on leased assets	213	118
Provision against other assets	52,222	(7,500)
Bad debts written off	154,226	20,311
	<u>612,923</u>	<u>570,198</u>
	<u>5,159,268</u>	<u>3,944,053</u>
<b>(Increase)/ Decrease in operating assets</b>		
Lendings to financial institutions	12,297,306	(5,527,620)
Held-for-trading securities	(1,534,638)	1,307,512
Advances	(5,005,326)	(4,182,324)
Others assets	(1,344,669)	(426,094)
	<u>4,412,673</u>	<u>(8,828,526)</u>
<b>Increase/ (Decrease) in operating liabilities</b>		
Bills Payable	(307,836)	2,139,505
Borrowings from financial institutions	(9,169,510)	6,704,645
Deposits	18,146,260	(2,030,353)
Other liabilities	216,520	1,221,702
	<u>8,885,433</u>	<u>8,035,498</u>
	<u>18,457,374</u>	<u>3,151,026</u>
Received / (Payments) for retirement benefits	1,173,595	(113,859)
Income tax paid	(361,140)	(270,809)
<b>Net cash flow from operating activities</b>	<b>19,269,829</b>	<b>2,766,358</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investment in securities	(21,363,384)	(7,140,157)
Dividend received	130,448	4,969
Investments in operating fixed assets	(107,762)	(208,428)
Sale proceeds of property and equipment disposed-off	36,897	2,253
<b>Net cash flow from investing activities</b>	<b>(21,303,800)</b>	<b>(7,341,363)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payments of Sub-ordinated loan	(440)	(424)
Payments of lease obligations	(2,986)	(300)
<b>Net cash flow from financing activities</b>	<b>(3,426)</b>	<b>(724)</b>
<b>Net cash flow</b>	<b>(2,037,397)</b>	<b>(4,575,729)</b>
Exchange difference on transaction of net investment in foreign branches and subsidiaries & minority	(186,718)	75,499
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>(2,224,116)</b>	<b>(4,500,230)</b>
Cash and cash equivalents at beginning of the period	68,441,818	52,831,811
<b>Cash and cash equivalents at end of the period</b>	<b>66,217,702</b>	<b>48,331,581</b>

The annexed notes 1 to 12 form an integral part of these financial statements.

Atif R. Bokhari  
President and  
Chief Executive Officer

Abdul Rauf Malik  
Director

Sir Mohammed Anwar Pervez, OBE, HPk  
Deputy Chairman

Nahayan Mabarak Al Nahayan  
Chairman

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED MARCH 31 2007**

	Share capital	General reserve	Statutory reserve	Reserve for Issue of Bonus Shares	Exchange reserve	Unappropriated profit	Total
------(Rupees in '000)-----							
<b>Opening Balance on 1 January 2006</b>	5,180,000	3,000	5,142,245	-	1,674,989	7,790,148	19,790,382
Final cash dividend for the year ended December 31, 2004 declared subsequent to year end	-	-	-	-	-	(1,295,000)	(1,295,000)
Bonus shares for December 2005 declared subsequent to year end	1,295,000	-	-	-	-	(1,295,000)	-
Transfer from surplus on revaluation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	23,614	23,614
Profit after taxation for the quarter ended March 31, 2006	-	-	-	-	-	2,123,080	2,123,080
Transfer to Statutory reserve	-	-	452,021	-	-	(452,021)	-
Exchange differences on translation of net investments in foreign branches, subsidiaries and associates	-	-	-	-	53,028	-	53,028
<b>Closing balance as at March 31, 2006</b>	<b>6,475,000</b>	<b>3,000</b>	<b>5,594,266</b>	<b>-</b>	<b>1,728,017</b>	<b>6,894,821</b>	<b>20,695,104</b>
Profit after taxation for nine months ended Dec. 31, 2006	-	-	-	-	-	7,406,308	7,406,308
Transfer from surplus on revaluation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	70,840	70,840
Exchange differences on translation of net investments in foreign branches, subsidiaries and associates	-	-	-	-	562,656	-	562,656
Transfer to Statutory reserve	-	-	1,441,625	-	-	(1,441,625)	-
<b>Closing balance as at December 31, 2006</b>	<b>6,475,000</b>	<b>3,000</b>	<b>7,035,891</b>	<b>-</b>	<b>2,290,673</b>	<b>12,930,344</b>	<b>28,734,908</b>
Final cash dividend for the year ended December 31, 2006 declared subsequent to year end	-	-	-	-	-	(1,942,500)	(1,942,500)
Transfer to reserve for issue of bonus shares for December 2006 declared subsequent to year end	-	-	-	1,618,750	-	(1,618,750)	-
Profit after taxation for the quarter ended March 31, 2007	-	-	-	-	-	3,138,459	3,138,459
Transfer from surplus on revaluation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	23,614	23,614
Exchange differences on translation of net investments in foreign branches, subsidiaries and associates	-	-	-	-	(392,685)	-	(392,685)
Transfer to Statutory reserves	-	-	616,040	-	-	(616,040)	-
<b>Closing balance as at March 31, 2007</b>	<b>6,475,000</b>	<b>3,000</b>	<b>7,651,931</b>	<b>1,618,750</b>	<b>1,897,988</b>	<b>11,915,128</b>	<b>29,561,797</b>

The annexed notes 1 to 12 form an integral part of these financial statements.

Atif R. Bokhari  
President and  
Chief Executive Officer

Abdul Rauf Malik  
Director

Sir Mohammed Anwar Pervez, OBE, HPk  
Deputy Chairman

Nahayan Mabarak Al Nahayan  
Chairman

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2007**
**1. STATUS AND NATURE OF BUSINESS**

The Group consists of:

**Holding Company**

United Bank Limited (The Bank)

**Subsidiary Companies**

United National Bank Limited (UNBL), United Kingdom

United Bank AG (Zurich), Switzerland

United Executors and Trustees Company Limited

United Bank Financial services (Pvt.) limited

UBL Fund Managers Limited

(Formerly United Asset Management Company Limited)

The Group is engaged in commercial banking, modaraba management, asset management, mutual funds and trustee services. The Bank is listed on all three Stock Exchanges in Pakistan. The Bank's registered office and principal office is situated in State Life Building No. 1, I. I. Chundirgar Road Karachi. The Bank operates 1044 (2006: 1043) branches inside including the Karachi Export Processing Zone Branch (KEPZ) and 15 (2006: 15) branches outside Pakistan.

The minority interest represents National Bank of Pakistan's 45% share in the net asset value of UNBL.

**2. BASIS OF PRESENTATION**

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks 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 financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon

**3. STATEMENT OF COMPLIANCE**

These consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of 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. Whenever the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan differ with the 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 disclosures in these accounts have, however, been limited based on the requirements of International Accounting Standard 34, Interim Financial Reporting.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of annual financial statements of the Bank for the year ended December 31, 2006.

**5. INVESTMENTS**

Note	Mar. 31, 2007			Dec. 31, 2006			
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total	
	-----'Rupees in '000'-----			-----'Rupees in '000'-----			
5.1 Held-for-trading securities	5.1.1	622,910	1,049,173	1,672,083	137,445	-	137,445
Available-for-sale securities	5.1.2	49,767,835	10,088,142	59,855,977	26,964,463	16,743,707	43,708,170
Held-to-maturity securities	5.1.3	26,420,867	-	26,420,867	21,540,291	-	21,540,291
Investments in Associates		886,633	-	886,633	586,633	-	586,633
Provision for Diminution in value of investments		(385,536)	-	(385,536)	(400,886)	-	(400,886)
Surplus / (deficit) on revaluation of available for sale investments		139,476	(9,197)	130,279	173,750	(6,940)	166,810
Surplus / (deficit) on revaluation of held for trading investments		10,067	(501)	9,566	(3,335)	-	(3,335)
Investments (net of provisions)		77,462,252	11,127,617	88,589,869	48,998,361	16,736,767	65,735,128

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2007**

	Mar. 31, 2007			Dec. 31, 2006		
	Held by	Given as	Total	Held by	Given as	Total
	bank	collateral		bank	collateral	
	-----'Rupees in '000'-----			-----'Rupees in '000'-----		
<b>5.1.1 Held-for-trading securities</b>						
- Ordinary shares of listed companies	248,850	-	248,850	91,007	-	91,007
- Pakistan investment bonds	-	-	-	-	-	-
- Market treasury bills	191,706	1,049,173	1,240,879	46,438	-	46,438
- Term Finance Certificates	-	-	-	-	-	-
- Other Bonds	182,354	-	182,354	-	-	-
	622,910	1,049,173	1,672,083	137,445	-	137,445
<b>5.1.2 Available for sale securities</b>						
- Market treasury bills	35,554,668	10,088,142	45,642,810	15,304,284	16,743,707	32,047,991
- Pakistan investment bonds	6,337,554	-	6,337,554	3,157,602	-	3,157,602
- Ordinary shares of listed companies	1,298,332	-	1,298,332	2,409,288	-	2,409,288
- Ordinary shares of unlisted companies	497,252	-	497,252	497,318	-	497,318
- Cumulative Preference Shares	8,120	-	8,120	8,120	-	8,120
- GOP Islamic Bonds - Sakkuk	676,275	-	676,275	694,271	-	694,271
- Units of mutual funds	2,341,395	-	2,341,395	1,246,338	-	1,246,338
- Euro Bonds	956,863	-	956,863	1,247,217	-	1,247,217
- Foreign Currency bonds	1,365,657	-	1,365,657	1,705,045	-	1,705,045
- Term Finance Certificates	731,719	-	731,719	694,980	-	694,980
	49,767,835	10,088,142	59,855,977	26,964,463	16,743,707	43,708,170
<b>5.1.3 Held to maturity securities</b>						
- Term Finance Certificates	7,582,945	-	7,582,945	8,134,206	-	8,134,206
- Government of Pakistan- Guaranteed bonds	-	-	-	-	-	-
- CIRC bonds	2,900,000	-	2,900,000	2,900,000	-	2,900,000
- Pakistan investment bonds	5,663,178	-	5,663,178	4,691,273	-	4,691,273
- GOP Dollar/Euro bonds	2,410,415	-	2,410,415	2,410,415	-	2,410,415
- Foreign currency bonds	1,378,785	-	1,378,785	1,382,986	-	1,382,986
- Foreign securities	1,201,724	-	1,201,724	734,939	-	734,939
- Debentures	10,979	-	10,979	11,289	-	11,289
-Participation of Term Certificates	55,103	-	55,103	55,169	-	55,169
- CDC SAARC Fund	304	-	304	505	-	505
- Federal investment bonds	13,939	-	13,939	13,906	-	13,906
- Market treasury bills	5,203,495	-	5,203,495	1,205,603	-	1,205,603
- Provincial Government Securities	-	-	-	-	-	-
	26,420,867	-	26,420,867	21,540,291	-	21,540,291
<b>Investments in Associates</b>						
- Oman united Exchange Company, Muscat	6,981	-	6,981	6,981	-	6,981
- United Growth and Income Fund	-	-	-	-	-	-
- United Stock Advantage Fund	238,350	-	238,350	238,350	-	238,350
- United Islamic Composite Fund	550,300	-	550,300	250,300	-	250,300
- UBL Insurers Limited	91,002	-	91,002	91,002	-	91,002
	886,633	-	886,633	586,633	-	586,633
	77,698,245	11,137,315	88,835,560	49,228,832	16,743,707	65,972,539
Provision for Diminution in value of investments	(385,536)	-	(385,536)	(400,886)	-	(400,886)
Surplus / (deficit) on revaluation of available for sale investments	139,476	(9,197)	130,279	173,750	(6,940)	166,810
Surplus / (deficit) on revaluation of held for trading investments	10,067	(501)	9,566	(3,335)	-	(3,335)
Investments (net of provisions)	77,462,252	11,127,617	88,589,869	48,998,361	16,736,767	65,735,128

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2007**
**6. ADVANCES**

	Mar.31,2007	Dec.31,2006
	-----'Rupees in '000'-----	
Loans, cash credits, running finances, etc.		
In Pakistan	207,542,294	209,353,477
Outside Pakistan	49,158,165	44,195,586
	<u>256,700,459</u>	<u>253,549,063</u>
Bills discounted and purchased (excluding treasury bills)		
Payable in Pakistan	7,602,627	6,537,721
Payable outside Pakistan	7,242,831	6,947,677
	<u>14,845,458</u>	<u>13,485,398</u>
	<u>271,545,917</u>	<u>267,034,461</u>
Finance in respect of continuous funding system (CSF)	1,581,037	1,462,242
Provision for non-performing advances- specific	(12,383,212)	(12,409,962)
Provision for non-performing advances- General	(1,414,732)	(1,416,249)
	<u>259,329,010</u>	<u>254,670,492</u>

6.1 Advances include Rs.17,563 million which have been placed under non-performing status as detailed below:-

Category of Classification	Domestic	Overseas	Total	Provision Required	Provision Held
Other Assets Especially Mentioned	294,715	-	294,715	-	-
Substandard	1,906,495	107,030	2,013,525	190,666	190,666
Doubtful	1,676,693	119,314	1,796,007	475,881	475,881
Loss	8,536,884	4,399,171	12,936,055	11,530,430	11,530,430
	<u>12,414,787</u>	<u>4,625,515</u>	<u>17,040,302</u>	<u>12,196,977</u>	<u>12,196,977</u>
Subsidiary Company	-	522,766	522,766	186,234	186,234
	<u>12,414,787</u>	<u>5,148,281</u>	<u>17,563,068</u>	<u>12,383,211</u>	<u>12,196,977</u>

6.2 General provision represents provision amounting to Rs 1,264 million (December 31, 2006: Rs.1,163.019 million) against consumer financing portfolio as required by the Prudential Regulations issued by State Bank of Pakistan and Rs. 150 million (December 31, 2006: Rs. 269.230 million) pertaining to overseas/ subsidiaries advances to meet the requirements of monetary agencies and regulating authorities of the respective country.

**7. BORROWINGS FROM FINANCIAL INSTITUTIONS**

	Mar.31,2007	Dec.31,2006
	-----'Rupees in '000'-----	
<b>Secured</b>		
Borrowings from financial institutions	-	-
Borrowings from State Bank of Pakistan		
- Under export refinance scheme	9,348,709	9,414,812
- Long term finance under export oriented projects	5,258,045	5,333,691
- Locally Manufactured Machinery	3,021	3,382
	<u>14,609,775</u>	<u>14,751,885</u>
Repurchase agreement borrowings	11,137,315	17,527,738
<b>Unsecured</b>		
Call borrowings	1,008,742	4,604,999
Overdrawn nostro accounts	64,627	567,880
Trading account liability	2,637,746	1,123,135
Others	52,092	104,171
	<u>3,763,208</u>	<u>6,400,185</u>
	<u>29,510,298</u>	<u>38,679,808</u>

**8. DEPOSITS AND OTHER ACCOUNTS**

<b>Customers</b>		
Fixed deposits	126,684,129	118,250,882
Savings deposits	133,573,976	123,454,103
Sundry Deposits	5,975,724	4,942,064
Margin Deposits	2,547,754	2,710,848
Current Accounts - Remunerative	1,343,468	1,999,555
Current Accounts - Non-remunerative	90,031,095	91,673,844
	<u>360,156,145</u>	<u>343,031,296</u>
<b>Financial Institutions</b>		
Remunerative deposits	1,744,930	549,862
Non-remunerative deposits	50,015	223,672
	<u>1,794,944</u>	<u>773,534</u>
	<u>361,951,090</u>	<u>343,804,830</u>



**9. CONTINGENCIES AND COMMITMENTS**
**Mar.31,2007      Dec.31,2006**

-----'Rupees in '000'-----

**9.1 Direct Credit Substitutes**

Contingent liability in respect of guarantees given favouring:

- Government	8,492,753	9,658,487
- Banking companies and other financial institutions	2,313,727	2,450,816
- Others	3,981,910	4,120,475
	<u>14,788,389</u>	<u>16,229,778</u>

**9.2 Transaction-related Contingent Liabilities**

Contingent liability in respect of performance bonds, bid bonds, warranties, etc.

- Government	27,681,350	27,269,975
- Banking companies and other financial institutions	1,515,955	1,387,386
- Others	5,642,512	4,585,391
	<u>34,839,817</u>	<u>33,242,752</u>

**9.3 Trade-related Contingent Liabilities**

Contingent liability in respect of letters of credit favouring:

- Government	48,106,268	50,491,386
- Banking companies and other financial institutions	504,303	365,045
- Others	41,350,726	43,357,420
	<u>89,961,297</u>	<u>94,213,851</u>

**9.4 Other Contingencies**

Claims against the bank not acknowledge as debts

<u>23,638,715</u>	<u>13,732,499</u>
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**9.5 Commitments in respect of forward lending**

The bank makes commitments to extend credit in the normal course of its business but these being recoverable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

**9.6 Other commitments**
**Mar.31,2007      Dec.31,2006**

-----'Rupees in '000'-----

- Forward purchase contracts of government securities	48,449	5,634,902
- Interest rate swaps	6,054,860	6,884,347
- Cross currency swaps	500,000	-
- Equity futures	335,116	382,026
- Sales of securities not yet purchased	708,407	1,067,735
- Commitments in respect of capital expenditure	64,410	89,037

**9.7 Commitments in respect of forward exchange contracts**

- Sale	58,577,598	58,556,959
- Purchase	56,356,885	56,461,145



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2007**
**10 RELATED PARTY TRANSACTIONS**

Details of transactions with related parties are given below:

	2007			2006		
	Key management personnel	Associates	Others	Key management personnel	Associates	Others
	-----'Rupees in '000'-----					
<b>Advances</b>						
At January 01	93,648	-	1,000,565	80,694	-	1,818,141
Given during the year	11,313	-	-	45,557	-	-
Repaid during the year	(5,412)	-	-	(32,603)	-	(817,576)
At March 31 / December 31	99,549	-	1,000,565	93,648	-	1,000,565
<b>Deposits</b>						
At January 01	13,249	2,469	3,367,047	15,542	-	1,524,441
Received during the year	57,287	94,069	22,192,444	189,638	138,201	149,323,191
Withdrawn during the year	(50,528)	(85,190)	(20,949,497)	(191,931)	(135,732)	(147,480,585)
At March 31 / December 31	20,008	11,348	4,609,994	13,249	2,469	3,367,047
Placements made during the year	-	-	-	-	500,000	-
Placements settled during the year	-	-	-	-	500,000	-
Maximum amount of a placement made during the year	-	-	-	-	-	-
Borrowings made during the year	-	-	-	-	-	-
Borrowings settlement during the year	-	-	-	-	-	-
Mark-up / return / interest earned	955	681	56,964	3,651	2,349	100,545
Mark-up / return / interest expensed	-	-	123,951	-	-	115,530
Reimbursement of liaison office expenses paid to Dubai and Abu Dhabi Group	-	-	9,116	-	-	36,170
Investment made during year	-	300,000	-	-	590,000	-
Payable in respect of acquisition of shares	-	-	-	-	-	-
Distribution commission income	-	-	-	-	-	-
Distribution commission receivable	-	-	-	-	-	-
Other receivable	-	22,559	122	-	22,620	-
Dividend income received	-	-	-	-	-	-
Other expenses paid	-	-	-	-	22,620	-
Remuneration paid	112,878	-	-	189,407	-	-
Post Employment benefits	2,514	-	-	7,506	-	-

**11. DATE OF AUTHORIZATION**

These financial statements were authorised for issue on April 24, 2007 by the Board of Directors of the Bank.

**12. GENERAL**

Comparative figures have been reclassified and rearranged, wherever necessary for comparison purposes.

 Atif R. Bokhari  
 President and  
 Chief Executive Officer



 Abdul Rauf Malik  
 Director



 Sir Mohammed Anwar Pervez, OBE, HPk  
 Deputy Chairman



 Nahayan Mabarak Al Nahayan  
 Chairman