

Investors Presentation

Results for the first half ended
JUNE 30, 2010



Presented by:

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Please Note

Certain prior period financial numbers have been restated to conform to current period results presentation

All numbers are presented on the basis of consolidated financial results basis, unless stated otherwise

The figures are presented in millions, rounded, and as percentages, unless otherwise mentioned in '000s, billions and bps.

Balance Sheet

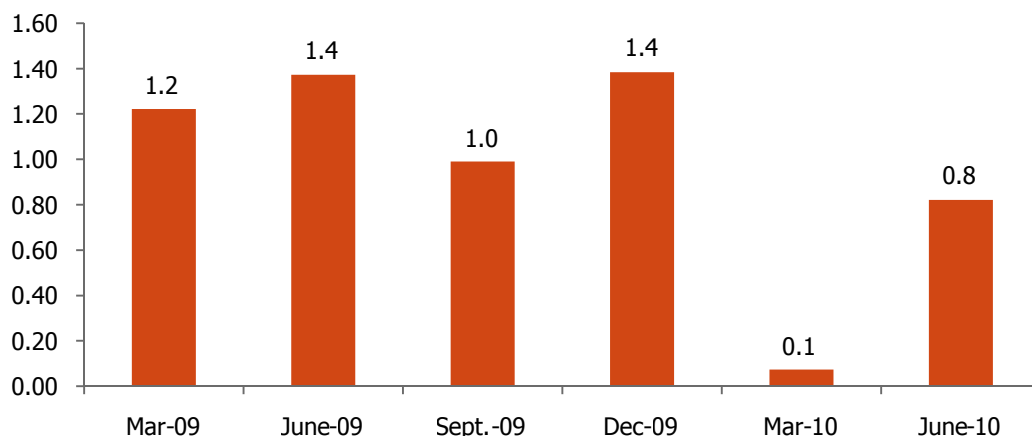
	Consolidated					Unconsolidated			
	HY 10	Mix	YE 09	Mix	%	HY 10	YE 09	%	
Cash & Balances with T.Banks	44,463	8%	38,775	8%	15%	44,463	38,775	15%	Assets +4%
Balances with other Banks	1,612	0%	6,077	1%	-73%	1,506	6,010	-75%	
Lendings to Financial Institutions	16,530	3%	3,000	1%	451%	16,530	3,000	451%	
Investments	181,840	34%	169,485	33%	7%	179,515	167,134	7%	Liabilities +4%
Advances - Net	245,057	46%	253,248	49%	-3%	245,058	253,249	-3%	
Operating Fixed Assets	18,217	3%	18,099	4%	1%	18,119	18,015	1%	
Other Assets	26,960	5%	23,058	5%	17%	26,911	23,040	17%	
Bills Payable	5,370	1%	8,201	2%	-35%	5,370	8,201	-35%	Equity +6% Net Assets +5%
Borrowings from F.I	13,379	3%	44,662	10%	-70%	13,379	44,662	-70%	
Deposits	419,215	91%	367,581	84%	14%	419,270	367,605	14%	
DTL	3,720	1%	3,202	1%	16%	3,705	3,197	16%	
Other Liabilities	17,107	4%	15,783	4%	8%	17,103	15,819	8%	
ROA	3.07%		3.27%			3.05%	3.25%		
ROE	24.73%		26.72%			25.25%	27.35%		
Deposits	419,215		367,581	+14%		419,270	367,605		
<i>Market Share</i>	9.0%		8.5%						
Advances	263,404		269,721	-2%		263,405	269,722		
<i>Market Share</i>	8.0%		8.2%						
ADR (gross)	62.83%		73.38%			62.82%	73.37%		
Industry Deposits	4,661,241		4,325,139						
Industry Advances	3,308,694		3,271,977						

Loan Portfolio

	1H 10	YE 09	+/-	%	1Q 10	+/-	%
Advances (gross)	263.4	269.7	-6.3	-2%	259.5	3.9	1%
Commercial	48	50	-2	-4%	46	1	3%
Corporate	172	173	-1	-1%	168	3	2%
Consumer	24	27	-2	-9%	25	-1	-5%
Islamic	3	4	-0.2	-4%	4	-1	-24%
Others - Overseas & SAMG	16	16	0	-1%	15	1	8%
Industry Advances	3,309	3,272	37	1%	3,257	51	2%
Share	8.0%	8.2%			8.0%		
Advances - Net	245	253	-8	-3%	242	3	1%
Classified loans	24.1	23.2	0.89	4%	23.3	0.82	4%
ADR (gross)	62.8%	73.4%			66.3%		
NPLs : Loans	9.2%	8.6%			9.0%		
Provision to NPL	76.0%	70.9%			74.4%		

Asset Quality – Controlled growth in Infected Portfolio

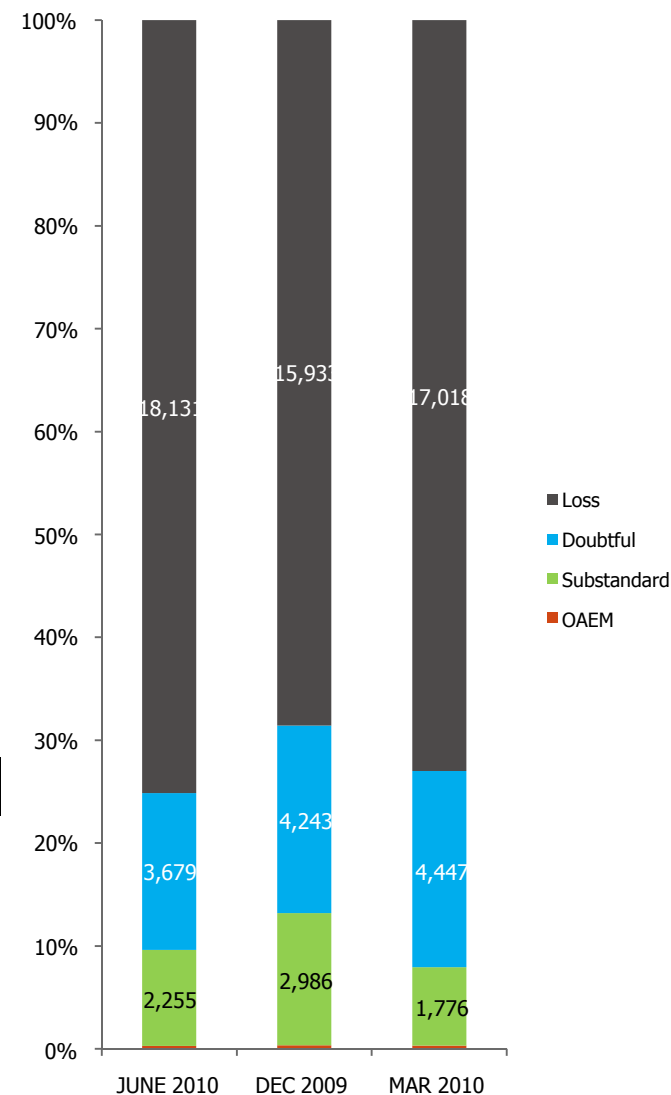
Increase in NPLs (In Blns)



QoQ Inc %

6.69%	7.04%	4.75%	6.34%	0.32%	3.52%
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	JUNE 2010	DEC 2009	MAR 2010
OAEM	69	77	71
Substandard	2,255	2,986	1,776
Doubtful	3,679	4,243	4,447
Loss	18,131	15,933	17,018
Total NPLs	24,134	23,239	23,312



Investments – Shift into more secure bills

	June 2010	Dec 2009	+/-	%	Mar 2010	+/-	%
Treasury Bills	154,079	142,957	11,122	8%	132,099	21,980	17%
Pakistan Investment Bonds	7,566	7,699	(133)	-2%	7,880	(313)	-4%
TFCs, Debentures, Bonds COIs and PTCs	5,163	6,082	(920)	-15%	5,974	(811)	-14%
Other Government Securities	4,422	1,143	3,279	287%	2,442	1,980	81%
Shares in Listed and Unlisted Co.s	8,537	8,416	121	1%	8,200	337	4%
Sukook Bonds	1,932	3,154	(1,222)	-39%	1,983	(51)	-3%
Subsidiaries & Associated Undertakings	3,427	3,403	24	1%	3,549	(122)	-3%
Gross Investments	185,126	172,855	12,271	7%	162,127	22,999	14%
Prov for diminution in value of investments	(3,485)	(3,687)	(202)	-5%	(3,674)	(189)	-5%
Surplus /(Deficit) on revaluation of securities	199	317	(117)	-37%	1,014	(814)	-80%
Net Investments	181,840	169,485	12,356	7%	159,467	22,374	14%

Deposits – Increase of 14%

	JUNE 2010	DEC 2009	+/-	%	MAR 2010	+/-	%
Current deposits	148	129	19	15%	135	13	10%
Savings deposits	196	176	20	11%	191	5	3%
Fixed/Term Deposits	75	63	13	20%	66	10	15%
Deposits	419	368	52	14%	392	28	7%
Industry Deposits (domestic)	4,661	4,325	336	8%	4,424	237	5%
Share	9.0%	8.5%			8.8%		

VolumeMix – CASA at 82%

	2010				2009			
	Q2 2010		Q1 2010		Q4 09		Q2 09	
	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix
Deposits	419		392		368		362	
Current deposits	148	35%	135	35%	129	35%	130	36%
Savings deposits	196	47%	191	49%	176	48%	176	49%
Term Deposits	75	18%	66	17%	63	17%	57	16%
CASA	344	82%	326	83%	305	83%	305	84%

Profit Statement – Key Highlights

	Consolidated			Unconsolidated		
	HY 10	HY 09	%	HY 10	HY 09	%
Interest Earned	26,400	25,853	2%	26,396	25,850	2%
Interest Expensed	(8,698)	(7,765)	12%	(8,699)	(7,765)	12%
NIM	17,701	18,088	-2%	17,697	18,084	-2%
Operating Income	3,071	2,810	9%	2,991	2,758	8%
Operating Expense	(6,523)	(5,316)	23%	(6,426)	(5,261)	22%
Pre-Tax Profit	14,249	15,582	-9%	14,262	15,581	-8%
Provisions	(2,050)	(3,892)	-47%	(2,050)	(3,892)	-47%
Taxation	(4,336)	(3,989)	9%	(4,270)	(3,932)	9%
Share of associate	174	220	-21%	-	-	N/A
Profit after tax and provisions	8,038	7,920	1%	7,942	7,756	2%
EPS	21.15	20.84		20.89	20.41	

Net Interest Income (NIM)

	June - 10	June - 09	+/-	%	2Q - 10	1Q - 10	+/-	%
MARK-UP EARNED	26,400	25,853	547	2%	13,297	13,103	194	1%
On Loans and advances	16,696	18,590	(1,894)	-10%	8,245	8,451	(205)	-2%
On investments	8,951	6,332	2,619	41%	4,491	4,459	32	1%
On deposits with financial institutions	7	97	(89)	-92%	4	3	1	16%
On securities purchased under resale agreements	575	563	12	2%	475	100	376	376%
On money at call	67	167	(100)	-60%	29	39	(10)	-26%
Others	103	105	(2)	-1%	52	51	2	3%
MARK-UP EXPENSED	8,698	7,765	933	12%	4,322	4,376	(54)	-1%
Deposits	7,465	6,880	585	9%	3,877	3,587	290	8%
Securities under repurchase agreements	477	240	237	99%	43	433	(390)	-90%
Other short-term borrowings	451	429	22	5%	229	221	8	4%
Sub-ordinated loan	-	-	-	N/A	-	-	-	N/A
Discount, Commission and brokerage	259	218	41	19%	147	113	34	30%
Others	47	(1)	48	-3241%	26	21	4	20%
NIM	17,702	18,088	(386)	-2%	8,975	8,727	248	3%

Non-Interest Income – Considerable increase of 9%

	June-10	June-09	+/-	%	2Q 10	1Q 10	+/-	%
Fee, Commission & Brokerage Income	2,075	1,683	392	23%	1,103	972	131	13%
Income earned as trustee to various funds	11	8	3	40%	6	5	1	13%
Dividend Income	168	149	19	13%	55	113	(58)	-51%
Income from dealing in foreign currency	276	279	(3)	-1%	158	117	41	35%
Gain on sale of securities - net	156	132	24	18%	138	18	120	666%
Unrealized loss on revaluation of investments classified as held for trading	19	28	(9)	-33%	(1)	20	(20)	-103%
Other Income	367	530	(164)	-31%	144	222	(78)	-35%
Total	3,071	2,810	261	9%	1,603	1,468	136	9%

Admin Expenses – Standalone



PKR Mln

	June 10	Variance Last Year		Variance QoQ	
		Amount	% age	Amount	% age
<i>Personnel expenses</i>	3,802	430	13%	327	19%
<i>Others Administrative expenses</i>					
<i>Rent</i>	279	41	17%	12	9%
<i>Rate & Taxes</i>	24	5	23%	2	18%
<i>Insurance</i>	172	42	32%	(5)	-6%
<i>Electricity, Gas etc.</i>	221	17	8%	56	68%
<i>Legal and professional charges</i>	125	33	36%	16	30%
<i>Communications</i>	447	(12)	-3%	(3)	-1%
<i>Repairs and maintenance</i>	343	123	55%	4	2%
<i>Stationery and printing</i>	185	16	9%	17	21%
<i>Advertisement and publicity</i>	131	23	21%	13	23%
<i>Auditors' remuneration</i>	9	(2)	-22%	(1)	-12%
<i>Depreciation</i>	492	47	11%	6	2%
<i>Amortization of intangible asset</i>	72	(0)	0%	9	29%
<i>Travelling, conveyance and fuel</i>	380	108	40%	49	30%
<i>Entertainment</i>	36	(5)	-11%	2	10%
<i>Training Expenses</i>	39	23	138%	16	138%
<i>Petty Capital items</i>	32	5	20%	(1)	-4%
<i>Credit Card Related Expenses</i>	61	34	127%	13	54%
<i>Non-executive directors' fees</i>	7	0	1%	(2)	-46%
<i>Cash transportation charges</i>	200	(47)	-19%	(26)	-23%
<i>Instrument clearing charges</i>	83	21	35%	4	9%
<i>Subscription</i>	14	2	17%	2	27%
<i>Donations</i>	1	(25)	-98%	(1)	-100%
<i>Others</i>	403	11	3%	2	1%
Total Admin expenses without reversal of pension Fund	7,561	889	13%	510	14%
<i>PF reversal amount</i>	(1,644)	(120)	-7%	(106)	-12%
Total Admin expenses After reversal of pension Fund	5,917	1,009	21%	616	23%

Capital Strength - Strong capital base, and growing strength with rising CAR

	Consolidated		Unconsolidated	
	HY 10	YE 09	HY 10	YE 09
Total Capital	68,053	64,357	67,710	64,636
Tier I Capital	64,405	59,896	63,387	60,841
Tier II Capital	3,648	4,460	4,323	3,794
Risk Weighted Assets	321,216	337,417	320,159	338,372
Tier I Ratio	20.05%	17.75%	19.80%	17.98%
Tier II Ratio	1.14%	1.32%	1.35%	1.12%
Total CAR	21.19%	19.07%	21.15%	19.10%