

**BARCLAYS BANK PLC –
PAKISTAN BRANCHES**

**FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2011**

BARCLAYS BANK PLC - PAKISTAN BRANCHES
(Barclays Bank Plc is a public limited company, Incorporated in Great Britain)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2011

	(Un-audited)	(Audited)
Note	September 30, 2011	December 31, 2010
	Rupees in '000	
ASSETS		
Cash and balances with treasury banks	3,454,268	2,912,164
Balances with other banks	2,286,276	2,189,397
Lendings to financial institutions	9 1,700,000	1,646,369
Investments - net	10 25,267,624	21,014,371
Advances - net	11 19,073,979	17,436,859
Operating fixed assets	12 842,097	928,091
Deferred tax assets - net	1,391,734	1,501,850
Other assets	678,286	651,594
	54,694,264	48,280,695
LIABILITIES		
Bills payable	656,441	402,249
Borrowings from financial institutions	14 3,403,202	7,193,234
Deposits and other accounts	15 42,493,942	32,301,878
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	-	-
Other liabilities	1,471,753	1,915,282
	48,025,338	41,812,643
NET ASSETS	6,668,926	6,468,052
REPRESENTED BY		
Head office capital account	9,756,756	9,756,756
Reserves	-	-
Accumulated loss	(3,094,077)	(3,279,855)
	6,662,679	6,476,901
Surplus / (deficit) on revaluation of securities - net	6,247	(8,849)
	6,668,926	6,468,052
CONTINGENCIES AND COMMITMENTS	16	

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



SHAZAD G. DADA
 Chief Executive Officer


AAMIR JAHANGIR
 Chief Financial Officer

BARCLAYS BANK PLC - PAKISTAN BRANCHES
(Barclays Bank Plc is a public limited company, incorporated in Great Britain)
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER & NINE MONTHS ENDED SEPTEMBER 30, 2011**

Note	For the quarter ended		For the nine months ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
----- Rupees in '000 -----				
Mark-up / return / interest earned	1,436,224	1,090,822	4,112,327	3,249,329
Mark-up / return / interest expensed	890,540	713,197	2,608,083	2,049,294
Net mark-up / interest income	545,684	377,625	1,504,244	1,200,035
11.3 Provision against loans and advances	(1,724)	54,271	70,558	138,368
Provision for diminution in the value of investments	-	-	-	-
Bad debts written off directly	(1,724)	54,271	70,558	138,368
Net mark-up / interest income after provisions	547,408	323,354	1,433,686	1,061,667
Non mark-up / interest income				
Fee, commission and brokerage income	58,842	41,513	177,931	126,206
Dividend income	-	-	-	-
Income from dealing in foreign currencies	72,407	54,780	211,727	125,209
Gain / (loss) on sale of securities	4,141	(628)	4,141	(616)
Unrealised gain on revaluation of investments classified as held for trading	-	-	-	-
Other income	(27)	-	(8)	-
Total non mark-up / interest income	135,363	95,665	393,791	250,799
	682,771	419,019	1,827,477	1,312,466
Non mark-up / interest expense				
Administrative expenses	530,768	614,274	1,529,106	1,803,299
Other provisions / write offs	-	-	2,948	-
Other charges	(576)	4,096	7,658	10,482
Total non mark-up / interest expense	530,192	618,370	1,539,712	1,813,781
Extra ordinary / unusual items	-	-	-	(461,445)
Profit / (Loss) before taxation	152,579	(199,351)	287,765	(962,760)
Taxation - Current	-	-	-	-
Taxation - Prior years	-	-	-	-
Taxation - Deferred	53,908	(81,328)	101,987	(348,479)
	53,908	(81,328)	101,987	(348,479)
Profit / (Loss) after taxation	98,671	(118,023)	185,778	(614,281)

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.


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Chief Executive Officer


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Chief Financial Officer

BARCLAYS BANK PLC - PAKISTAN BRANCHES
(Barclays Bank Plc is a public limited company, Incorporated in Great Britain)
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER & NINE MONTHS ENDED SEPTEMBER 30, 2011

	For the quarter ended		For the nine months ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
----- Rupees in '000 -----				
Profit / (Loss) after taxation	98,671	(118,023)	185,778	(614,281)
Components of comprehensive income not reflected in equity				
Surplus / (deficit) on revaluation of available-for-sale securities- net of tax	8,315	(8,478)	15,096	(17,400)
Total comprehensive income	106,986	(126,501)	200,874	(631,681)

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BARCLAYS BANK PLC - PAKISTAN BRANCHES
(Barclays Bank Plc is a public limited company, Incorporated in Great Britain)
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011

For the nine months ended
September 30, 2011 **September 30, 2010**
 -----Rupees in 000-----

CASH FLOWS FROM OPERATING ACTIVITIES

	287,765	(962,760)
Profit / (Loss) before taxation		
Adjustments		
Depreciation	158,654	205,577
Amortisation	25,391	25,606
Extra ordinary / unusual items	-	461,445
Provision against loans and advances - net	70,558	138,368
(Gain) / loss on sale of securities	(4,141)	616
Loss on disposal of operating fixed assets	8	852
	250,470	832,464
	538,235	(130,296)
(Increase) / decrease in operating assets		
Lendings to financial institutions	(53,631)	3,904,821
Advances	(1,707,678)	1,503,382
Other assets (excluding advance taxation)	(23,472)	(64,174)
	(1,784,781)	5,344,029
Increase / (decrease) in operating liabilities		
Bills payable	254,192	548,274
Borrowings from financial institutions	(3,790,032)	624,086
Deposits and other accounts	10,192,064	(96,743)
Other liabilities	(429,791)	(1,258,980)
	6,226,433	(183,363)
	4,979,887	5,030,370
Income taxes deducted at source	(3,220)	(2,978)
Net cash generated from operating activities	4,976,667	5,027,392

CASH FLOWS FROM INVESTING ACTIVITIES

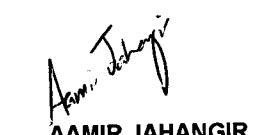
Net investment in available-for-sale securities	(4,225,887)	(3,426,884)
Investment in operating fixed assets	(115,157)	(38,966)
Proceeds from disposal of operating fixed assets	3,360	708
Net cash used in investing activities	(4,337,684)	(3,465,142)

CASH FLOWS FROM FINANCING ACTIVITIES

Remittances received from head office as capital	-	436,192
Net cash generated from financing activities	-	436,192
Increase in cash and cash equivalents	638,983	1,998,442
Cash and cash equivalents at the beginning of the period	5,101,561	3,952,035
Cash and cash equivalents at the end of the period	5,740,544	5,950,477

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.


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BARCLAYS BANK PLC - PAKISTAN BRANCHES
(Barclays Bank Plc is a public limited company, Incorporated in Great Britain)
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011

	Head office capital account	Accumulated loss	Share based payment contribution reserve	Total
Rupees in '000				
Opening balance as at January 1, 2010	9,320,564	(2,480,542)	-	6,840,022
Changes in equity for the nine months ended September 30, 2010				
Remittances received from head office	436,192	-	-	436,192
Loss after taxation for the nine months ended September 30, 2010	-	(614,281)	-	(614,281)
Other comprehensive income for the nine months ended September 30, 2010	-	-	-	-
Contribution by Barclays Bank PLC in respect of share-based payments	-	-	18,756	18,756
Recharged balance payable to Barclays Bank PLC in respect of share-based payments	-	-	(18,756)	(18,756)
Balance as at September 30, 2010 (Unaudited)	<u>9,756,756</u>	<u>(3,094,823)</u>	<u>-</u>	<u>6,661,933</u>
Changes in equity for the period ended December 31, 2010				
Remittances received from head office	-	-	-	-
Loss after taxation for the period ended December 31, 2010	-	(185,032)	-	(185,032)
Other comprehensive income for the period ended December 31, 2010	-	-	-	-
Contribution by Barclays Bank PLC in respect of share-based payments	-	-	6,474	6,474
Recharged balance payable to Barclays Bank PLC in respect of share-based payments	-	-	(6,474)	(6,474)
Balance as at December 31, 2010 (Audited)	<u>9,756,756</u>	<u>(3,279,855)</u>	<u>-</u>	<u>6,476,901</u>
Changes in equity for the nine months ended September 30, 2011				
Remittances received from head office	-	-	-	-
Profit after taxation for the nine months ended September 30, 2011	-	185,778	-	185,778
Other comprehensive income for the nine months ended September 30, 2011	-	-	-	-
Contribution by Barclays Bank PLC in respect of share-based payments	-	-	26,528	26,528
Recharged balance payable to Barclays Bank PLC in respect of share-based payments	-	-	(26,528)	(26,528)
Balance as at September 30, 2011 (Unaudited)	<u>9,756,756</u>	<u>(3,094,077)</u>	<u>-</u>	<u>6,662,679</u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.


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 Chief Executive Officer


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 Chief Financial Officer

BARCLAYS BANK PLC - PAKISTAN BRANCHES

(Barclays Bank Plc is a public limited company, incorporated in Great Britain)

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER & NINE MONTHS ENDED SEPTEMBER 30, 2011

1 STATUS AND NATURE OF BUSINESS

Barclays Bank PLC, Pakistan Branches (the Bank) operates as a branch of Barclays Bank PLC which is a foreign banking company incorporated and domiciled in Great Britain with limited liability (rated "AA-", Long term and "A-1+", Short term by Standard & Poor's) and is a member of Barclays PLC Group (rated "A+", Long term and "A-1", Short term by Standard & Poor's) which is the ultimate holding company. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and operates through fifteen branches (December 31, 2010: fifteen branches) across Pakistan. The Bank commenced its operations on July 23, 2008 and its registered office in Pakistan is situated at Dawood Centre, M. T. Khan Road, Karachi.

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 includes purchasing of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on a deferred payment basis. The purchase and sale arising under these arrangements are not reflected in these condensed interim financial statements as such but are restricted to the amount of facility actually utilised and appropriate portion of mark-up thereon.

3 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by the State Bank of Pakistan (SBP). In case the requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by the SBP shall prevail.

The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002 till further instructions. In addition the Securities and Exchange Commission of Pakistan has deferred the applicability of International Financial Reporting Standard 7, Financial Instruments: Disclosures (IFRS 7) on banking companies vide SRO 411(I) / 2008 till further orders. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.

SBP vide its BSD Circular No. 07 dated April 20, 2010 has clarified that for the purpose of preparation of financial statements in accordance with International Accounting Standard - 1 (Revised), 'Presentation of Financial Statements', two statement approach shall be adopted i.e. separate 'Profit and Loss Account' and 'Statement of Comprehensive Income' shall be presented, and Balance Sheet shall be renamed as 'Statement of Financial Position'. Furthermore, the Surplus / (Deficit) on Revaluation of Available for sale (AFS) Securities only, may be included in the 'Statement of Comprehensive Income'. However, it should continue to be shown separately in the statement of financial position below equity. Accordingly, the above requirements have been adopted in the preparation of these condensed interim financial statements.

The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the State Bank of Pakistan through BSD Circular Letter No. 2 dated May 12, 2004 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". They do not include all of the information required for the full annual financial statements and these condensed interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2010.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those adopted in the preparation of the annual financial statements of the Bank for the year ended December 31, 2010.

5 BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention except for the measurement of investments and derivative financial instruments that have been carried at fair values.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis and methods used for critical accounting estimates and judgments adopted in these condensed interim financial statements are the same as those adopted in the preparation of the financial statements of the Bank for the year ended December 31, 2010.

7 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Bank operates. These condensed interim financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

8 FINANCIAL RISK MANAGEMENT

The Bank's Financial Risk Management objectives and policies are consistent with those disclosed in the annual financial statements of the Bank for the year ended December 31, 2010.

		September 30, 2011	December 31, 2010
		Rupees in '000	
9	LENDINGS TO FINANCIAL INSTITUTIONS		
	Call money lendings	1,700,000	1,646,369
	Repurchase agreement lendings	-	-
		<u>1,700,000</u>	<u>1,646,369</u>
9.1	Particulars of lendings to financial institutions		
	In local currency	1,700,000	850,000
	In foreign currency	-	796,369
		<u>1,700,000</u>	<u>1,646,369</u>
10	INVESTMENTS - NET		
10.1	Investments by type	September 30, 2011	December 31, 2010
		Held by bank	Held by bank
		Given as collateral	Given as collateral
		Total	Total
		Rupees in '000	
	Available-for-sale investments		
	Market Treasury Bills	25,258,013	17,072,761
	Pakistan Investment Bonds	-	-
	Investments at cost	25,258,013	18,314,736
	Less: Provision for diminution in value of Investments	-	-
	Investment (net of provisions)	25,258,013	18,314,736
	Surplus / (deficit) on revaluation of available for sale securities - net	9,611	(12,003)
	Investments at market value	<u>25,267,624</u>	<u>18,302,733</u>
			2,713,249
		25,258,013	21,027,985
		-	-
		25,258,013	21,027,985
		-	-
		9,611	(1,611)
		25,267,624	21,014,371
10.2	Investments by segment	Note	September 30, 2011
			December 31, 2010
			Rupees in '000
	Federal Government Securities		
	- Market Treasury Bills	10.3	25,267,624
	- Pakistan Investment Bonds	10.3	-
			<u>25,267,624</u>
			<u>19,781,762</u>
			<u>1,232,609</u>
10.3	Market Treasury Bills amounting to Rs 10,250 million (2010: Rs 9,000 million) [having a fair value of Rs 10,128.898 million (2010: Rs 8,929.769 million)] and Pakistan Investment Bonds amounting to Nil (December 31, 2010: Rs. 1,250 million) [having fair value of Nil (December 31, 2010: Rs. 1,232.609 million)] have been deposited with the State Bank of Pakistan as per the requirements of Section 13(2) of the Banking Companies Ordinance, 1962. The remaining Market Treasury Bills are eligible for re-discounting with the State Bank of Pakistan.		
11	ADVANCES - NET	Note	September 30, 2011
			December 31, 2010
			Rupees in '000
	Loans, cash credits, running finances, etc. - in Pakistan		18,182,278
	Bills discounted and purchased (excluding market treasury bills)		
	Payable in Pakistan		368,823
	Payable outside Pakistan		1,051,439
			<u>1,420,262</u>
	Advances - gross		19,602,540
	Provision against advances		
	Specific provision against non performing advances	11.3	(490,313)
	General provision against advances	11.3 & 11.4	(38,248)
			<u>(528,561)</u>
			<u>(406,593)</u>
			<u>(53,600)</u>
			<u>(460,193)</u>
	Advances - net		<u>19,073,979</u>
			<u>17,436,859</u>

11.1	Particulars of advances - gross	September 30,	December 31,
		2011	2010
		Rupees in '000	
	In local currency	17,108,816	16,952,747
	In foreign currencies	2,493,724	944,305
		<u>19,602,540</u>	<u>17,897,052</u>

11.2 Advances include Rs 633.584 million (December 31, 2010: Rs 612.471 million) which have been placed under non-performing status as detailed below:

	September 30, 2011			Provision required	Provision held
	Domestic	Overseas	Total		
	Rupees in '000				
Category of classification					
Other assets especially mentioned	-	-	-	-	-
Substandard	49,187	-	49,187	7,516	7,516
Doubtful	21,835	-	21,835	6,938	6,938
Loss	562,562	-	562,562	475,859	475,859
	<u>633,584</u>	<u>-</u>	<u>633,584</u>	<u>490,313</u>	<u>490,313</u>

	December 31, 2010			Provision required	Provision held
	Domestic	Overseas	Total		
	Rupees in '000				
Category of classification					
Other assets especially mentioned	-	-	-	-	-
Substandard	120,303	-	120,303	30,076	30,076
Doubtful	231,302	-	231,302	115,651	115,651
Loss	260,866	-	260,866	260,866	260,866
	<u>612,471</u>	<u>-</u>	<u>612,471</u>	<u>406,593</u>	<u>406,593</u>

11.3 Particulars of provision against advances

	September 30, 2011			December 31, 2010		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	406,593	53,600	460,193	120,720	74,248	194,968
Charge for the period	141,494	-	141,494	288,797	-	288,797
Reversals during the period	(55,584)	(15,352)	(70,936)	-	(20,648)	(20,648)
	85,910	(15,352)	70,558	288,797	(20,648)	268,149
Amounts written off	(2,190)	-	(2,190)	(2,924)	-	(2,924)
Closing balance	<u>490,313</u>	<u>38,248</u>	<u>528,561</u>	<u>406,593</u>	<u>53,600</u>	<u>460,193</u>

11.3.1 Under the guidelines issued by the SBP, banks have been allowed to avail the benefit of forced sales value (FSV) of mortgaged properties held as collateral against all non-performing consumer loans for 5 years from the date of classification for calculating provisioning requirement. The additional profit arising from availing the FSV benefit - net of tax at September 30, 2011 amounted to Rs 62.052 million.

11.3.2 Particulars of provision against advances

	September 30, 2011			December 31, 2010		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
In local currency	490,313	38,248	528,561	406,593	53,600	460,193
In foreign currency	-	-	-	-	-	-
	<u>490,313</u>	<u>38,248</u>	<u>528,561</u>	<u>406,593</u>	<u>53,600</u>	<u>460,193</u>

11.4 General provision represents provision amounting to Rs 38.248 million (December 31, 2010: Rs 53.600 million) held against consumer finance portfolio calculated in accordance with the requirements of the Prudential Regulations issued by the State Bank of Pakistan.

	Note	September 30, 2011	December 31, 2010
12 OPERATING FIXED ASSETS		Rupees in '000	
Capital work-in-progress		164,710	68,851
Property and equipment	12.1 & 12.2	609,278	784,026
Intangible assets	12.1	68,109	75,214
		<u>842,097</u>	<u>928,091</u>
		For the nine months ended	
		September 30, 2011	September 30, 2010
		Rupees in '000	
12.1	The following additions have been made at cost during the period:		
	- Lease hold improvements	3,479	14,632
	- Furniture and fixtures	1,851	1,667
	- Electrical and office equipment	9,957	15,695
	- Computer equipment	5,165	3,870
	- Intangibles	3,328	475
		<u>23,780</u>	<u>36,339</u>
12.2	The written down value of fixed assets disposed off / deleted / written off during the period are as follows:		
	- Lease hold improvements	12,597	-
	- Furniture and fixtures	472	593
	- Electrical and office equipment	3,798	72
	- Computer equipment	243	895
		<u>17,110</u>	<u>1,560</u>
13 DEFERRED TAX ASSETS			
	The Bank has recognised deferred tax asset amounting to Rs. 1,466.450 million (December 31, 2010: Rs 1,603.366 million) on accumulated tax losses. The management carries out periodic assessment to assess the benefit of these losses as the Bank would be able to set off the profit earned in future years against these carry forward losses. The amount of this benefit has been determined based on the projected financial statements of the Bank for the future periods. The determination of future taxable profit is most sensitive to certain key assumptions such as cost to income ratio of the Bank, deposit composition, kibar rates, growth of deposits and advances, investment returns, product mix of advances and potential provision against assets. Any significant change in the key assumptions may have an effect on the realisability of the deferred tax asset.		
14 BORROWINGS FROM FINANCIAL INSTITUTIONS		September 30, 2011	December 31, 2010
		Rupees in '000	
	In Pakistan	3,403,202	7,193,234
	Outside Pakistan	-	-
		<u>3,403,202</u>	<u>7,193,234</u>
14.1	Particulars of borrowings from financial institutions		
	In local currency	3,403,202	7,193,234
	In foreign currency	-	-
		<u>3,403,202</u>	<u>7,193,234</u>
14.2	Details of borrowings from financial institutions		
	Secured		
	Borrowings from the State Bank of Pakistan under		
	- Export refinance scheme	3,053,202	4,282,701
	Repurchase agreement borrowings	-	2,710,533
		<u>3,053,202</u>	<u>6,993,234</u>
	Unsecured		
	Call borrowings	350,000	200,000
	Overdrawn nostro accounts	-	-
		<u>3,403,202</u>	<u>7,193,234</u>
15 DEPOSITS AND OTHER ACCOUNTS			
	Customers		
	Fixed deposits	17,953,735	17,712,464
	Savings deposits	17,683,320	9,554,398
	Current accounts – Non-remunerative	6,541,215	4,958,785
	Margin accounts	281,959	37,146
		<u>42,460,229</u>	<u>32,262,793</u>
	Financial Institutions		
	Non-remunerative deposits	33,713	39,085
		<u>42,493,942</u>	<u>32,301,878</u>

	September 30, 2011	December 31, 2010
	Rupees in '000	
15.1 Particulars of deposits		
In local currency	36,593,500	27,580,715
In foreign currencies	5,900,442	4,721,163
	<u>42,493,942</u>	<u>32,301,878</u>
16 CONTINGENCIES AND COMMITMENTS		
16.1 Direct credit substitutes		
Contingent liabilities in respect of guarantees given favouring:		
Government	-	-
Banking companies and other financial institutions	-	-
Others	-	-
	<u>-</u>	<u>-</u>
16.2 Transaction-related contingent liabilities		
Contingent liabilities in respect of performance bonds, bid bonds, warranties, etc. given favouring:		
Government	607,826	607,826
Banking companies and other financial institutions	217,214	11,287
Others	480,396	443,452
	<u>1,305,436</u>	<u>1,062,565</u>
16.3 Trade-related contingent liabilities		
Contingent liabilities in respect of letters of credit opened favouring:		
Government	84,843	68,896
Banking companies and other financial institutions	-	-
Others	5,357,999	3,172,463
	<u>5,442,842</u>	<u>3,241,359</u>
16.4 Commitments in respect of forward lendings		
The bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.		
16.5 Commitments in respect of forward exchange contracts	September 30, 2011	December 31, 2010
	Rupees in '000	
Purchase	<u>5,703,062</u>	<u>2,583,512</u>
Sale	<u>5,966,562</u>	<u>2,496,802</u>
16.6 Commitments in respect of operating lease		
The Bank has obtained various offices, branches and other premises under operating lease arrangements. The leases have various terms, escalation and renewal rights. There are no contingent rents payable. The future minimum lease payment under operating leases are as follows:		
	September 30, 2011	December 31, 2010
	Rupees in '000	
Not more than one year	<u>52,421</u>	<u>53,528</u>
16.7 Commitments for the acquisition of operating fixed assets	<u>46,901</u>	<u>52,319</u>

17 RELATED PARTY TRANSACTIONS

The Bank has related party relationships with other branches and direct and indirect subsidiaries of Barclays PLC Group, Barclays Bank PLC, employee benefit plans, and its key management personnel.

Transactions between the Bank and its related parties are carried out under normal course of business except for staff loans, that are as per terms of employment.

Details of transactions with related parties during the period and balances with them as at period end are as follows:

	September 30, 2011	December 31, 2010
	Rupees in '000	
Balances as at period-end		
Group		
Nostro balances with other branches of Barclays Bank PLC	2,230,304	2,039,704
Placements with Barclays Bank PLC	-	796,369
Accrued interest on placements with Barclays Bank PLC	-	32
Payable to affiliate for IT expenditure	318,274	232,032
Payable to affiliate for Services & Recharges	-	376,296
Payable to Barclays Bank PLC in respect of share-based payments	67,391	40,863
Key management personnel		
Loans and advances	87,974	97,827
Deposits	33,864	32,091
Others		
Deposits of staff retirement benefit fund	128,116	15,874
Other receivables	6,500	7,713
	For the nine months ended	
	September 30, 2011	September 30, 2010
	Rupees in '000	
Transactions during the period		
Group		
Income for the period on		
- Nostro balances with other branches of Barclays Bank PLC	6,142	4,243
- Placements with Barclays Bank PLC	329	554
Recharged balance in respect of share-based payments	26,528	18,756
Additions to capital work in progress	78,692	-
Recharges in respect of technology related services	-	180,696
Key management personnel		
Markup / interest / return earned	1,779	1,667
Markup / interest / return expensed	957	2,999
Salaries and benefits	232,279	184,132
Post-retirement benefits	8,424	4,592
Others		
Contributions to staff retirement benefit funds	68,738	85,205

18 SEGMENT DETAILS

The business activities of the Bank are confined to three segments i.e. treasury and sales, retail banking and commercial banking. The products and services offered by these segments are as follows:

Treasury and sales

Overall management of treasury operations of the Bank.

Retail banking

Deposits, mortgages, personal installment loans and business installment loans.

Commercial banking

Deposits, trade and lending activities for corporate enterprises.

	For the nine months ended September 30, 2011			
	Commercial banking	Treasury and sales	Retail banking	Total
Rupees in '000				
Net mark-up / interest income before provisions	156,073	2,248,260	(900,089)	1,504,244
Non mark-up / interest income	96,220	215,561	82,010	393,791
Non mark-up / interest expense	712,100	104,724	793,446	1,610,270
Net income / (loss)	(459,807)	2,359,097	(1,611,525)	287,765
Segment return on assets (ROA) (%)	-2.40%	7.02%	-66.24%	
Segment cost of funds (%)	9.34%	7.34%	6.54%	

	For the nine months ended September 30, 2010			
	Commercial banking	Treasury and sales	Retail banking	Total
Rupees in '000				
Net mark-up / interest income before provisions	300,918	1,459,982	(560,865)	1,200,035
Non mark-up / interest income	56,537	122,299	71,963	250,799
Non mark-up / interest expense	553,239	356,519	1,503,836	2,413,594
Net income / (loss)	(195,784)	1,225,762	(1,992,738)	(962,760)
Segment return on assets (ROA) (%)	-1.24%	5.21%	-66.71%	
Segment cost of funds (%)	9.06%	6.73%	6.29%	

	As at September 30, 2011			
	Commercial banking	Treasury and sales	Retail banking	Total
Rupees in '000				
Segment assets	19,141,461	33,610,260	2,432,856	55,184,577
Segment non-performing advances	237,498	-	396,086	633,584
Segment provision required	237,498	-	252,815	490,313
Segment liabilities	21,364,767	424,412	26,236,159	48,025,338

	As at December 31, 2010			
	Commercial banking	Treasury and sales	Retail banking	Total
Rupees in '000				
Segment assets	17,096,253	28,742,090	2,902,545	48,740,888
Segment non-performing advances	237,498	-	374,973	612,471
Segment provision required	143,748	-	316,445	460,193
Segment liabilities	19,840,355	3,047,777	18,924,511	41,812,643

19 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on October 28, 2011 by the management of the Bank.

20 GENERAL

20.1 Figures have been rounded off to the nearest thousand rupees.

20.2 Corresponding figures have been re-arranged and reclassified, wherever necessary, for better presentation. However, there are no material reclassifications to report in this condensed interim financial information, other than the following:

Reclassification from component	Reclassification to component	(Rupees '000)
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Income from dealing in foreign currencies

Mark-up / return / interest expensed

88,170


SHAZAD G. DADA
Chief Executive Officer


AAMIR JAHANGIR
Chief Financial Officer