

**KHUSHHALI BANK LIMITED**  
**BALANCE SHEET**  
**FOR THE QUARTER ENDED 30-SEPTEMBER-2010**

**BALANCE SHEET**

	<u>NOTES</u>	<u>Rupees in '000</u>	
		<u>As on Current Quarter</u>	<u>As on Corresponding Quarter of previous year</u>
<b><u>ASSETS</u></b>			
Cash and balances with SBP & NBP		87,411	50,465
Balances with other banks/NBFIs/MFBs		222,489	143,220
Money at call & short notice		175,283	513,051
Investments - Net of Provisions	1	1,047,251	903,571
Advances - Net of Provisions	2	4,037,774	3,713,269
Operating Fixed Assets	3	170,863	173,497
Other Assets	4	879,766	976,874
<b>TOTAL ASSETS</b>		<b>6,620,837</b>	<b>6,473,947</b>
<b><u>LIABILITIES</u></b>			
Deposits	5	198,782	46,899
Borrowings	6	4,019,160	4,182,889
Bills Payable		-	-
Subordinated Debt		-	-
Other Liabilities	7	161,533	153,124
Deferred Liabilities	8	10,616	19,244
<b>TOTAL LIABILITIES</b>		<b>4,390,091</b>	<b>4,402,156</b>
<b>NET ASSETS</b>		<b>2,230,746</b>	<b>2,071,791</b>
<b><u>REPRESENTED BY</u></b>			
Paid-Up Capital		1,705,000	1,705,000
Statutory & General Reserves		162,411	113,284
Unappropriated profit		374,510	245,729
Sub Total - I		<b>2,241,921</b>	<b>2,064,013</b>
Surplus on Revaluation of Assets		-	-
(Deficit)/Surplus on Revaluation of Securities		(11,175)	7,778
Sub Total - II		(11,175)	7,778
<b>TOTAL CAPITAL (Sub- Total : I + II )</b>		<b>2,230,746</b>	<b>2,071,791</b>
<b><u>MEMORANDUM / OFF-BALANCE SHEET ITEMS:</u></b>			
Bills for collection		-	-
Acceptances, Endorsements and Other Obligations		-	-
Contingent Liabilities		-	-
<b>TOTAL MEMORANDUM / OFF-BALANCE SHEET ITEMS</b>		<b>-</b>	<b>-</b>

**The annexed notes form an integral part of this Report**

**KHUSHHALI BANK LIMITED**

**PROFIT & LOSS ACCOUNT**

**FROM 01-JULY-2010 to 30-SEPTEMBER-2010**

				<b><u>Rupees in '000</u></b>	
				<b>For the Current</b>	<b>Year To Date</b>
				<b>Quarter</b>	
	<b>NOTES</b>				
Mark up / Interest / Discounts / Return Earned	9		327,955	924,283	
Less: Cost / Return on Deposits, Borrowings etc	10		<u>64,425</u>	<u>193,963</u>	
Net			263,530	730,320	
<b>Non-Interest Income</b>					
Fees & Commission			<u>31,402</u>	<u>124,571</u>	
Dividend Income			-	-	
Other Income			<u>23,055</u>	<u>140,242</u>	
Plus			<u>54,457</u>	<u>264,813</u>	
Sub total			317,987	995,133	
<b>Operating &amp; Non-Interest Expenses</b>					
Administrative Expenses	11		<u>243,890</u>	<u>752,563</u>	
Provision against Non Performing Loans			31,382	72,649	
Provision for diminution in value of investments			-	-	
Provision against Other Assets			237	666	
Bad debts written off directly			(64)	(3,254)	
Other Expenses			-	-	
Less			<u>275,445</u>	<u>822,624</u>	
Sub total			42,542	172,509	
Extra ordinary / unusual items			-	-	
Plus / less			-	-	
Profit before Taxation		Sub Total	42,542	172,509	
Taxation - Current			<u>7,041</u>	<u>7,041</u>	
- Deferred			-	-	
Less			<u>7,041</u>	<u>7,041</u>	
Profit after Taxation			35,501	165,468	
<b>APPROPRIATIONS :</b>					
Statutory & General Reserves			-	-	
Proposed dividend			-	-	
Other Appropriations			-	-	
Total appropriations		Less	-	-	
Net Profit / (Loss) for the period			35,501	165,468	
Un-appropriated Profit brought forward			339,009	209,042	
Un-appropriated Profit / (Loss) carried forward to Balance sheet			<u><u>374,510</u></u>	<u><u>374,510</u></u>	

**The annexed notes form an integral part of this Report**

**NOTES TO THE QUARTERLY ACCOUNTS AS ON THE QUARTER ENDED 30 SEPTEMBER 2010**

**1. INVESTMENTS :**

				Rupees in '000	
	Book Value	Estimated Market Value	Provisions held	Investment Net of Provisions	
Approved Securities:					
Pakistan Investment Bonds	393,859	359,792	-	359,792	
Market Treasury Bills	688,248	687,459	-	687,459	
Others	-	-	-	-	
Investments in subsidiary companies & associated undertakings	-	-	-	-	
Fully paid up ordinary shares					
listed companies	-	-	-	-	
unlisted companies	-	-	-	-	
Bonds, Participation Term Certificates & Term Finance Certificates	-	-	-	-	
Other investment	-	-	-	-	
<b>TOTAL</b>	<b>1,082,107</b>	<b>1,047,251</b>	<b>-</b>	<b>1,047,251</b>	

**2. ADVANCES :**

**Advances ( Net of Provisions)**

Gross Advances	4,129,635
Less : Provisions held:	
General	62,237
Specific	29,624
Sub-Total	91,861
<b>Advances (net of provisions)</b>	<b>4,037,774</b>

**2.1 Loan Type wise Break-up of Current and Non Performing Loans**

Loan Type	Total Outstanding Portfolio	NPLs			
		Current	30 < 90 days	90 < 180 days	> 180 days
		< 30 days	Sub-Standard	Doubtful	Loss
Agri - inputs	2,485,935	2,460,788	3,763	16,092	5,292
Livestock	999,246	981,770	7,558	8,047	1,871
Enterprise	542,379	508,902	22,740	8,441	2,296
Others	102,075	97,196	3,365	1,257	257
<b>Total</b>	<b>4,129,635</b>	<b>4,048,656</b>	<b>37,426</b>	<b>33,837</b>	<b>9,716</b>

**2.2 Summary of Disbursements & Recoveries made during the Quarter**

	At beginning of the Quarter		During the Quarter			At Quarter End	
	No of Borrowers	Outstanding Advances	Recoverable	Total Recovery *	Disbursement	No of Borrowers	Outstanding Advances - **
Male	243,199	3,073,229	143,600	248,491	578,479	266,462	3,387,649
Female	81,245	702,654	98,298	148,777	193,150	86,281	741,986
<b>Total</b>	<b>324,444</b>	<b>3,775,883</b>	<b>241,898</b>	<b>397,268</b>	<b>771,629</b>	<b>352,743</b>	<b>4,129,635</b>

\* Total recovery includes prepayments of Rs. 202Million

\*\* Net Advances of Rs.21Million has been written off during the quarter.

**3. Summary of Operating Fixed Assets**

	Cost	Accumulated Depreciation	Book Value
Vehicles	234,266	225,269	8,997
Computers	144,045	93,014	51,031
Furniture & Fixture	100,435	35,717	64,718
Office & Electrical Equipment	112,059	65,942	46,117
<b>Total</b>	<b>590,805</b>	<b>419,942</b>	<b>170,863</b>

**4. OTHER ASSETS :**

Income / Mark up accrued in Local Currency	577,482
Income / Mark up accrued in Foreign Currency	-
Advances, Deposits, Advance Rent and Other Prepayments	69,926
Advances Taxation (Payments less Provisions)	35,585
Branch adjustment account	-
Suspense account	-
Deferred Cost	-
Others	198,905
<b>4.1</b>	<b>881,898</b>
Less: Provisions held against classified Other Assets	2,132
Other Assets (Net of Provisions)	<b>879,766</b>

4.1 Other includes; Rs. 106M receivable from MSDf at close of the quarter.

**NOTES TO THE QUARTERLY ACCOUNTS AS ON THE QUARTER ENDED 30 SEPTEMBER 2010**

**5. DEPOSITS:**

Fixed Deposits
Saving Deposits
Current Deposits
Others
<b>Total</b>

No of Accounts	Rupees in '000
-	-
869	65,875
172,967	132,907
-	-
<b>173,836</b>	<b>198,782</b>

**5.1 PARTICULARS OF DEPOSITS BY OWNERSHIP**

1) Individual Depositors
a) Community / Village Organizations / Urban Groups etc. Members
b) Other
2) Institutions / Depositors / Firms etc.
a) Corporation/ Firms etc.
b) Banks & Financial Institutions
<b>Total</b>

173,836	198,782
-	-
-	-
<b>173,836</b>	<b>198,782</b>

**6. BORROWINGS:**

Borrowings from Bank/ Financial Institution in Pakistan
Borrowings from Bank/ Financial Institution outside Pakistan
Borrowings from Government of Pakistan
Borrowings from SBP
Others
<b>Total</b>

200,000
-
3,819,160
-
-
<b>4,019,160</b>

**7. OTHER LIABILITIES:**

Mark-up / Return/ Interest payable on Deposits & Borrowings
Accrued Commission and Income on Bills Discounted
Accrued expenses
Current Taxation (Provision less payments)
Proposed / Unpaid/ Unclaimed Dividends
Branch Adjustment Accounts
Others
<b>Total</b>

102,233
-
19,802
-
-
-
39,498
<b>161,533</b>

7.1

7.1 Other includes Payable to Suppliers Rs. 13M, CIF to be invoiced Rs 6M and Rs 4M payable to Gratuity Fund

**8. DEFERRED LIABILITIES:**

Deferred Grant
----------------

**10,616**

**9. MARK UP / INTEREST AND DISCOUNT AND / OR RETURN EARNED:**

Interest / Mark-up on Advances
Interest / Mark-up on interest on Investments in Government Securities
Interest / Mark-up on Deposit Accounts / Placements with other Banks / Financial Institutions
Others

For Current Quarter	Year To Date
287,218	779,666
27,748	79,286
12,989	65,331
-	-
<b>327,955</b>	<b>924,283</b>

**10. COST / RETURN ON DEPOSITS, BORROWING ETC.:**

Deposits
Borrowings
Others

1,489	3,389
62,936	190,574
-	-
<b>64,425</b>	<b>193,963</b>

**11. ADMINISTRATIVE EXPENSES:**

Staff Salaries and Benefits
Premises Rent etc.
Traveling Expenses
Vehicle Running & Maintenance
Depreciation
Training etc.
Stationery & Office Supplies
Advertisement
Staff Retirement Benefits
Others

11.1

138,057	408,437
22,520	63,631
3,873	10,498
11,640	40,511
17,341	50,872
1,379	8,085
4,787	23,199
3,389	11,643
6,669	20,007
34,235	115,680
<b>243,890</b>	<b>752,563</b>

11.1. Others includes expenses on Utilities Rs. 11M, Communication Rs. 6M, Insurance Rs. 5M, IT support Rs. 6M and Financial charges Rs. 1M during the quarter.

**12. AVERAGE ASSETS:**

for the quarter Rs.

6,627,677

Represents the average of the total assets as of the close of business on each Saturday during the quarter.

**13. NUMBER OF EMPLOYEES:**

Permanent
Temporary/ on contractual basis
Daily wagers
Others (please specify)
<b>Total No. of employees</b>

Credit / Sales Staff	Banking / Support	Total
703	611	1,314
7	765	772
-	-	-
-	-	-
<b>710</b>	<b>1,376</b>	<b>2,086</b>

**14. NUMBER OF BRANCHES:**

Branches at the beginning of the quarter
Add: Opened during the quarter

111  
2

Less: Closed / Merged during the quarter
<b>Total Branches at the end of the quarter</b>

**113**