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These half yearly condensed interim financial statements are available on bank's official website: www.bankalfalah.com



CORPORATE INFORMATION

Board of Directors

H.E. Sheikh Hamdan Bin Mubarak Al Nahayan	Chairman
Mr. Abdulla Khalil Al Mutawa	Director
Mr. Abdulla Nasser Hawaileel Al-Mansoori	Director
Mr. Khalid Mana Saeed Al Otaiba	Director
Mr. Ikram Ul-Majeed Sehgal	Director
Mr. Bashir A. Tahir	Director
Mr. Mohammad Saleem Akhtar	Chief Executive Officer

Board Advisory Committee

Mr. Abdulla Khalil Al Mutawa	Director
Mr. Khalid Mana Saeed Al Otaiba	Director
Mr. Bashir A. Tahir	Member
Mr. Ganpat Singhvi	Member
Mr. M. Iftikhar Shabbir	Secretary

Board Audit Committee

Mr. Abdulla Khalil Al Mutawa	Director
Mr. Khalid Mana Saeed Al Otaiba	Director
Mr. Bashir A. Tahir	Member
Mr. Ganpat Singhvi	Member
Mr. M. Iqbal Saifi	Secretary

Central Management Committee

Mr. Mohammad Saleem Akhtar	Chairman
Mr. Parvez A. Shahid	Deputy Chairman
Mr. Sirajuddin Aziz	Member
Mr. Mohammad Yousuf	Member
Mr. Shakil Sadiq	Member
Mr. Shahid M. Murtaza	Member
Mr. Nadeemul Haq	Member
Mr. Bakhtiar Khawaja	Member
Mr. Adil Rashid	Member
Mr. Ijaz Farooq	Member
Mr. Arfa Waheed Malik	Member
Mr. Adnan Anwar Khan	Member

Company Secretary

Mr. Hamid Ashraf

Chief Financial Officer

Mr. Zahid Ali H. Jamall

Auditors

KPMG Taseer Hadi & Co.,
Chartered Accountants

Registered / Head Office

B. A. Building
I. I. Chundrigar Road
Karachi.

Website

www.bankalfalah.com



DIRECTORS' REVIEW

The Board of Directors is pleased to present the un-audited financial statements of the Bank for the half-year ended June 30, 2006.

	Six Months Period ended June 2006	Six Months Period ended June 2005
	(Rupees in '000')	
Profit before provisions and Taxation	1,518,865	1,491,949
Provisions	(396,856)	(216,685)
Profit before Taxation	1,122,009	1,275,264
Taxation	(308,735)	(428,662)
Profit After Taxation	813,274	846,602
Earnings per share	Rs. 2.03	Rs. 2.18

During the half-year ended June 30, 2006 the Bank's profit before provision and taxation stood at Rs. 1,518.865 million as compared to Rs.1,491.949 million for the previous comparable period, registering an increase of 1.80%.

In compliance with the current prudential regulations on consumer banking, your Bank has created general provisions amounting to Rs.107.113 million against the consumer portfolio, for the half-year ended June 2006. These provisions are in addition to the specific provisions made on the same consumer portfolio.

We continue to strengthen our presence in the market place and as of June 30, 2006, we are operating through 155 branches that include 15 Islamic Banking branches and four foreign branches in Bangladesh and Afghanistan. Our plan is to add more branches to the network during the year 2006.

PACRA, a premier rating agency of the country, has rated the Bank 'AA', Entity Rating for Long Term and A1+ for the Short Term. These ratings denote a very low expectation of credit risk, strong capacity for timely payment of financial commitments in the long term and by highest capacity for timely repayment in the short term, respectively. Further, the unsecured subordinated debt (Term Finance Certificates) of the Bank has been awarded a credit rating of AA- (double A minus).

The Board would like to thank our valued customers for their continued patronage and support, the State Bank of Pakistan, Ministry of Finance and other regulatory authorities for their continuous guidance and support with whom we enjoy a very cordial relationship. The Board would also like to place on record its appreciation for the hard work, dedication, professionalism and sincere efforts of the senior management, officers and staff of the Bank at all levels.

MOHAMMAD SALEEM AKHTAR
Director & Chief Executive Officer

Date: September 6, 2006
Place: Abu Dhabi

REVIEW REPORT TO THE MEMBERS

We have reviewed the annexed condensed interim balance sheet of Bank Alfalah Limited as at 30 June 2006 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the “condensed interim financial statements”) for the six months period then ended. These condensed interim financial statements are the responsibility of the Bank’s management. Our responsibility is to issue a report on these condensed interim financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the condensed interim financial statements are free of material misstatement. A review is limited primarily to inquiries of Bank’s personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the annexed financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Date: September 6, 2006
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

CONDENSED INTERIM BALANCE SHEET

As At June 30, 2006

	Note	30 June, 2006 (un-audited) (Rupees in '000')	31 December, 2005 Restated
ASSETS			
Cash and balances with treasury banks		23,614,623	24,788,625
Balances with other banks		8,980,048	9,713,369
Lendings to financial institutions		5,311,040	27,050,493
Investments	7	81,615,113	57,425,700
Advances	8	128,421,698	118,864,010
Other assets		4,578,172	3,851,529
Operating fixed assets	9	7,590,420	6,620,067
Deferred tax assets		-	-
		260,111,114	248,313,793
LIABILITIES			
Bills payable		3,066,867	3,733,124
Borrowings from financial institutions	10	31,360,755	5,844,389
Deposits and other accounts	11	206,769,521	222,345,067
Sub-ordinated loans		3,222,730	3,223,355
Liabilities against assets subject to finance lease		-	-
Other liabilities		6,825,414	5,219,666
Deferred tax liabilities		647,644	484,066
		251,892,931	240,849,667
NET ASSETS			
		8,218,183	7,464,126
REPRESENTED BY			
Share capital		4,000,000	3,000,000
Reserves		1,511,910	1,851,218
Unappropriated profit		2,050,501	1,886,845
		7,562,411	6,738,063
Surplus on revaluation of assets - net of deferred tax		655,772	726,063
		8,218,183	7,464,126
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The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Director

Chairman



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2006

	Note	2006		2005	
		Three months period ended 30 June 2006	Six months period ended 30 June 2006	Three months period ended 30 June 2005	Six months period ended 30 June 2005
----- (Rupees in '000') -----					
Mark-up / return / interest earned		5,204,180	10,061,048	2,598,555	4,631,265
Mark-up / return / interest expensed		(3,692,017)	(7,317,675)	(1,297,219)	(2,268,636)
Net mark-up / return / interest income		1,512,163	2,743,373	1,301,336	2,362,629
Provision against non-performing loans and advances		(130,246)	(299,298)	(88,482)	(167,484)
Gain / (loss) on remeasurement of held for trading investments		(72,502)	(97,558)	37,487	(49,201)
Bad debts written off directly		(243)	(513)	(240)	(284)
		(202,991)	(397,369)	(51,235)	(216,969)
Net mark-up / return / interest income after provisions		1,309,172	2,346,004	1,250,101	2,145,660
Non mark-up / interest income					
Fee, commission and brokerage income		413,507	795,891	258,742	467,890
Dividend income		4,568	9,471	11,478	25,642
Income from trading in government securities		-	-	-	-
Income from dealing in foreign currencies		94,011	183,741	60,996	108,200
Other income		230,488	555,536	47,570	330,686
Total non-mark-up / interest income	14	742,574	1,544,639	378,786	932,418
Non mark-up / interest expense		2,051,746	3,890,643	1,628,887	3,078,078
Administrative expenses		1,442,121	2,769,017	959,631	1,792,812
Other provisions / write-offs		-	-	-	9,673
Other charges / (refunds)		(383)	(383)	265	329
Total non-mark-up / interest expenses		1,441,738	2,768,634	959,896	1,802,814
Extra ordinary / unusual items		-	-	-	-
Profit before taxation		610,008	1,122,009	668,991	1,275,264
Taxation					
- Current		88,002	200,909	197,759	393,940
- Prior		(45,000)	(45,000)	-	(6,000)
- Deferred		140,871	152,826	47,706	40,722
		183,873	308,735	245,465	428,662
Profit after taxation		426,135	813,274	423,526	846,602
Basic / diluted earnings per share	Rupees	1.07	2.03	1.06	2.18

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Director

Chairman



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2006

	30 June, 2006	30 June, 2005
	(Rupees in '000')	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,122,009	1,275,264
Less: Dividend income	(9,471)	(25,642)
	<u>1,112,538</u>	<u>1,249,622</u>
Adjustments for non-cash charges		
Depreciation	319,178	208,327
Amortisation - intangible assets	7,212	6,765
Provision against non-performing advances (net off reversals)	299,298	167,484
(Gain) / loss on remeasurement of held for trading investments	97,558	49,201
Bad debts written-off directly	513	284
Gain on sale of operating fixed assets	(1,519)	(1,170)
Provision for gratuity	34,689	23,029
	<u>756,929</u>	<u>453,920</u>
	<u>1,869,467</u>	<u>1,703,542</u>
(Increase) / decrease in operating assets		
Lending to financial institutions	22,676,792	(9,203,127)
Advances	(9,857,499)	(8,561,727)
Net investment in held-for-trading securities	120,871	4,826
Other assets	(647,724)	(311,146)
	<u>12,292,440</u>	<u>(18,071,174)</u>
Increase / (decrease) in operating liabilities		
Bills payable	(666,257)	427,501
Borrowings from financial institutions	25,516,366	(5,892,957)
Deposits	(15,575,546)	33,021,425
Other liabilities	1,571,059	1,093,352
	<u>10,845,622</u>	<u>28,649,321</u>
	<u>25,007,529</u>	<u>12,281,689</u>
Income tax paid	(230,760)	(514,022)
<i>Net cash flow from operating activities</i>	<u>24,776,769</u>	<u>11,767,667</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	(26,986,232)	(4,338,503)
Net investment in held-to-maturity securities	3,102,073	(1,418,164)
Investment in subsidiary companies	-	(34,000)
Investment in associated company	(570,186)	(561,824)
Dividend received	8,424	24,086
Investments in operating fixed assets	(1,304,456)	(1,383,059)
Sale proceeds of property and equipment disposed-off	6,212	3,833
<i>Net cash flow from investing activities</i>	<u>(25,744,165)</u>	<u>(7,707,631)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital	-	500,000
Share premium received	-	500,000
Redemption of sub-ordinated loans	(625)	(370)
Dividend paid	-	-
<i>Net cash flow from financing activities</i>	<u>(625)</u>	<u>999,630</u>
Adjustment of exchange translation reserve	(1,963)	(9)
	<u>(969,984)</u>	<u>5,059,657</u>
Increase in cash and cash equivalents	<u>(969,984)</u>	<u>5,059,657</u>
Cash and cash equivalents at beginning of the period	35,291,994	22,892,475
Cash and cash equivalents at end of the period	<u>34,322,010</u>	<u>27,952,132</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash and balances with treasury banks	23,614,623	18,996,311
Balances with other banks	8,980,048	8,755,821
Call money lendings	1,727,339	200,000
	<u>34,322,010</u>	<u>27,952,132</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Director

Chairman



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2006

	Share Capital	Share Premium	Statutory Reserve	Reserve for Issue of Bonus Share	Exchange Translation Reserve	Unappropriated profit	TOTAL
	(Rupees in '000')						
Balance at 1 January 2005	2,500,000	-	1,008,772	-	-	860,300	4,369,072
<i>Changes in equity for six months ended upto 30 June 2005</i>							
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	12,435	12,435
Profit for the period	-	-	-	-	-	846,602	846,602
Total recognized income and expense for the period	-	-	-	-	-	859,037	859,037
Transfer to statutory reserve	-	-	169,320	-	-	(169,320)	-
Issue of rights shares	500,000	500,000	-	-	-	-	1,000,000
Effect of foreign currency translation	-	-	-	-	(9)	-	(9)
Interim dividend @ 12 percent	-	-	-	-	-	(360,000)	(360,000)
Balance at 30 June 2005	3,000,000	500,000	1,178,092	-	(9)	1,190,017	5,868,100
<i>Changes in equity for six months ended upto 31 December 2005</i>							
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	12,435	12,435
Profit for the period	-	-	-	-	-	855,492	855,492
Total recognized income and expense for the period	-	-	-	-	-	867,927	867,927
Transfer to statutory reserve	-	-	171,099	-	-	(171,099)	-
Effect of foreign currency translation	-	-	-	-	2,036	-	2,036
Transfer to reserve for issue of bonus shares 1 for every 3 shares held	-	(500,000)	-	1,000,000	-	(500,000)	-
Balance at 31 December 2005 as previously reported	3,000,000	-	1,349,191	1,000,000	2,027	1,386,845	6,738,063
Effect of change in accounting policy with respect to bonus shares declared after balance sheet date	-	500,000	-	(1,000,000)	-	500,000	-
Balance at 31 December 2005 as restated	3,000,000	500,000	1,349,191	-	2,027	1,886,845	6,738,063
<i>Changes in equity for six months ended upto 30 June 2006</i>							
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	13,037	13,037
Profit for the period	-	-	-	-	-	813,274	813,274
Total recognized income and expense for the period	-	-	-	-	-	826,311	826,311
Transfer to statutory reserve	-	-	162,655	-	-	(162,655)	-
Issue of bonus shares	1,000,000	(500,000)	-	-	-	(500,000)	-
Effect of foreign currency translation	-	-	-	-	(1,963)	-	(1,963)
Balance at 30 June 2006	4,000,000	-	1,511,846	-	64	2,050,501	7,562,411

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Director

Chairman

BANK ALFALAH LIMITED



بنك الفلاح المحدود

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2006

1. STATUS AND NATURE OF BUSINESS

Bank Alfalah Limited (the Bank) was incorporated in Pakistan on 21 June 1992 as a public limited company under the Companies Ordinance, 1984. It commenced banking operations from 1 November 1992. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and is operating through 136 conventional banking (December 2005: 128) branches and 15 Islamic Banking (December 2005: 15) branches and 4 foreign (December 2005 :4) branches. Its registered office is situated at B.A. Building, I.I. Chundrigar Road, Karachi.

The Bank is listed on Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited with effect from 5 July 2004 and 6 July 2004 respectively.

2. DISCONTINUING OPERATION

On 28 October 2005 the Board of Directors of the Bank approved a plan to segregate its business of Islamic Banking into a separate entity. The segregation reflects Bank's plan to remain competitive with ever increasing competition in the local market and become the premier Islamic bank. Resultantly, in order to achieve this objective the Board feels that the Islamic Banking Division should be converted into a wholly owned subsidiary of the Bank. As of 30 June 2006 the Islamic Banking Division's assets were Rs. 17,862 million and its liabilities were Rs. 16,438 million.

During the period ended 30 June 2006, Islamic Banking Division earned revenue of Rs. 594.499 million, incurred expenses of Rs. 313.819 million and earned a pre-tax profit of Rs. 106.605 million with a related tax expense (including current and deferred tax) of Rs. 29.337 million. During the period ended 30 June 2006, Islamic Banking Division's cash inflow from operating activities was Rs. 504.429 million, cash outflow from investing activities was Rs. 517.542 million, and cash inflow from financing activities was Rs. Nil.

3. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with the Approved Accounting Standards and the requirements of the 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. Wherever the requirements of the Companies Ordinance, 1984, the 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, the Banking Companies Ordinance, 1962 or the requirements of the said directives take precedence.



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

The State Bank of Pakistan vide BSD Circular No. 10 dated 26 August 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40). Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified in accordance with the categories prescribed by the State Bank of Pakistan. The disclosures made in these condensed interim financial statements have, however been limited based on the format prescribed by the State Bank of Pakistan vide BSD Circular Letter No. 2 dated 12 May 2004 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Bank for the year ended 31 December 2005. During the period Securities and Exchange Commission of Pakistan notified the Islamic Financial Accounting Standard 1 issued by the Institute of Chartered Accountants of Pakistan relating to accounting for Murabaha transactions undertaken by a bank. The said standard is effective for financial statements of banks for the financial periods beginning on or after 1 January 2006. The Bank has not adopted the above standard as it considers that this standard should be applicable to the dedicated Islamic banks preparing their financial statements in accordance with Islamic Financial Reporting Standards rather than to certain transactions carried out on an Islamic basis by Islamic Banking branches of traditional commercial banks. Further, the Bank also considers that the adoption of the standard may expose the Bank to certain additional tax liabilities which may need to be resolved before this standard can be adopted.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for preparation of these condensed interim financial statements are the same as those applied in preparation of the annual financial statements of the bank for the year ended 31 December 2005, except for the effect of the change in accounting policy relating to appropriation of reserve for bonus issue. During the current period the bank has changed its policy whereby appropriation to reserve for bonus issue is now recognised in the period in which it is approved. Previously, the financial statements were adjusted for appropriation approved subsequent to the year-end. The change has been made to comply with directive of the Institute of Chartered Accountants of Pakistan, through circular No. 06 of 19 June 2006. The change in accounting policy has been applied retrospectively and comparative information has been restated in accordance with the treatment specified by IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors). Had there been no change in accounting policy the unappropriated profit for the year ended 31 December 2005 would have been lower and reserves as at that date would have been higher by Rs. 500 million respectively.

5. ESTIMATES AND ASSUMPTIONS

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by the management and the key sources of estimating uncertainty in preparation of these financial statements were same as those applied to the annual financial statements as at and for the year ended 31 December 2005.

6. FINANCIAL RISK MANAGEMENT

The Bank's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 31 December 2005.



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

7. INVESTMENTS

7.1 Investments by types

	30 June 2006 (un-audited)			31 December 2005		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
	(Rupees in '000)					
Held for trading securities						
Treasury Bills	-	-	-	276,775	-	276,775
Ordinary shares of listed companies / units of investment schemes	592,732	-	592,732	436,828	-	436,828
	592,732	-	592,732	713,603	-	713,603
Available for sale securities						
<i>Government Securities</i>						
Market Treasury Bills	13,402,778	18,699,616	32,102,394	5,534,534	-	5,534,534
Pakistan Investment Bonds	2,133,812	-	2,133,812	2,151,343	-	2,151,343
Prize Bonds	17,724	-	17,724	9,445	-	9,445
	15,554,314	18,699,616	34,253,930	7,695,322	-	7,695,322
<i>Quoted Securities</i>						
Ordinary shares / units of investment schemes	609,930	-	609,930	597,738	-	597,738
Term Finance Certificates	760,878	-	760,878	496,345	-	496,345
	1,370,808	-	1,370,808	1,094,083	-	1,094,083
<i>Unquoted Securities</i>						
Ordinary shares	129,821	-	129,821	76,979	-	76,979
Certificates of investment	203,316	-	203,316	105,259	-	105,259
	333,137	-	333,137	182,238	-	182,238
	17,258,259	18,699,616	35,957,875	8,971,643	-	8,971,643
Held to maturity securities						
Unquoted Term Finance Certificates	1,549,879	-	1,549,879	1,767,600	-	1,767,600
Pakistan Investment Bonds	9,686,941	-	9,686,941	9,635,243	255,327	9,890,570
Treasury Bills	23,610,728	7,176,078	30,786,806	33,967,529	-	33,967,529
Government Bonds	85,341	-	85,341	85,341	-	85,341
Sukook Bonds	500,000	-	500,000	-	-	-
	35,432,889	7,176,078	42,608,967	45,455,713	255,327	45,711,040
Subsidiary Companies						
Alfalah Securities (Private) Limited	76,000	-	76,000	76,000	-	76,000
Alfalah GHP Investment Management Limited	33,600	-	33,600	33,600	-	33,600
	109,600	-	109,600	109,600	-	109,600
Associated Companies						
Warid Telecom (Private) Limited	2,000,000	-	2,000,000	1,848,804	-	1,848,804
Wateen Telecom (Private) Limited	350,000	-	350,000	-	-	-
Alfalah Insurance Limited	68,990	-	68,990	-	-	-
Alfalah GHP Value Fund	100,000	-	100,000	100,000	-	100,000
	2,518,990	-	2,518,990	1,948,804	-	1,948,804
	55,912,470	25,875,694	81,788,164	57,199,363	255,327	57,454,690
Gain / (loss) on remeasurement of held for trading investments	(76,560)	-	(76,560)	20,998	-	20,998
(Deficit) / surplus on revaluation of available for sale securities	(90,304)	(6,187)	(96,491)	(49,988)	-	(49,988)
	55,745,606	25,869,507	81,615,113	57,170,373	255,327	57,425,700

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

8. ADVANCES

	30 June 2006 (un-audited)	31 December 2005
	(Rupees in '000')	
Loans, cash credits, running finances etc.		
- in Pakistan	106,786,598	99,826,193
- outside Pakistan	2,411,862	1,361,725
	109,198,460	101,187,918
Net investment in finance lease / Ijara Financing		
- in Pakistan	13,545,095	12,158,131
- outside Pakistan	-	-
	13,545,095	12,158,131
Bills discounted and purchased (excluding treasury bills)		
- Payable in Pakistan	1,935,219	2,222,723
- Payable outside Pakistan	5,579,795	4,848,219
	7,515,014	7,070,942
	130,258,569	120,416,991
Provision for non-performing advances - Specific	(862,980)	(707,369)
Provision for non-performing advances - General	(973,891)	(845,612)
	128,421,698	118,864,010

8.1 This represents advances of Bangladesh and Afghanistan Branches amounting to Rs. 2,406.423 million and Rs. 5.439 million respectively.

8.2 Advances include Rs. 1,608.647 million (2005: Rs. 1,059.955 million) which have been placed under non-performing status.

8.3 Category of classification

	Domestic	Overseas	Total	Provision Required		Provision held	
				Specific	General	Specific	General
(Rupees in '000')							
Other assets especially mentioned							
(Agri Financing)	45,996	-	45,996	-	-	-	-
Substandard	367,086	-	367,086	52,412	-	52,412	-
Doubtful	96,036	-	96,036	37,523	-	37,523	-
Loss	1,062,374	37,155	1,099,529	773,045	-	773,045	-
	1,571,492	37,155	1,608,647	862,980	883,246	862,980	973,891

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

8.4 Particulars of provisions against non performing advances:

	30 June 2006 (Un-audited)			31 December 2005		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000')					
Opening balance	707,369	845,612	1,552,981	851,119	508,938	1,360,057
Opening balance of foreign branch acquired during the year	-	-	-	20,787	16,629	37,416
Exchange adjustments	(920)	(3,728)	(4,648)	-	-	-
Charge for the half year	255,723	132,103	387,826	206,704	320,269	526,973
Reversals	(88,432)	(96)	(88,528)	(124,451)	(224)	(124,675)
	167,291	132,007	299,298	82,253	320,045	402,298
Transferred from interest in suspense	-	-	-	3,637	-	3,637
Amounts written off	(10,760)	-	(10,760)	(250,427)	-	(250,427)
Closing balance	862,980	973,891	1,836,871	707,369	845,612	1,552,981

8.5 Particulars of provisions for consumer financing - general

	30 June 2006 (un-audited) (Rupees in '000')	31 December 2005
Opening balance	652,333	387,588
Charge for the period	107,113	264,969
Reversals	(126)	(224)
	759,320	652,333

General provision against consumer financing has been determined in accordance with the requirements of the Prudential Regulations issued by the State Bank of Pakistan.

9. OPERATING FIXED ASSETS

	Note	30 June 2006 (un-audited) (Rupees in '000')	31 December 2005
Capital work in- progress	9.1	1,132,812	1,038,875
Property and equipment	9.2	6,433,163	5,551,517
Intangible assets		24,445	29,675
		7,590,420	6,620,067

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

9.1 This includes capital work in progress of Rs. 15.683 million (December 2005: Rs. Nil) and Rs. 10.268 million (December 2005: Rs. 5.116 million) of Bangladesh and Afghanistan branches respectively.

9.2 This includes property and equipment of Rs. 17.728 million (December 2005: Rs. 10.832 million) and Rs. 10.356 million (December 2005: Rs. 10.890 million) of Bangladesh and Afghanistan branches respectively.

9.3 Additions to property and equipment and intangibles - at cost

	30 June 2006 (un-audited)	30 June 2005
	(Rupees in '000')	
Office premises	596,567	716,989
Leasehold improvements	92,933	38,558
Furniture and fixtures	58,804	50,225
Office equipment	394,291	308,759
Vehicles	65,988	74,757
Intangibles	1,936	8,969
	<u>1,210,519</u>	<u>1,198,257</u>

9.4 Disposal of fixed assets - at written down value

Furniture and fixtures	328	522
Office Equipment	1,011	2,092
Vehicles	3,354	49
	<u>4,693</u>	<u>2,663</u>

10. BORROWINGS FROM FINANCIAL INSTITUTIONS

Secured		
Borrowings from State Bank of Pakistan under		
- Export refinance scheme	5,109,081	5,585,988
- Long term finance for export oriented projects scheme (LTFEOP)	240,850	29,927
Repurchase agreement borrowings	25,733,729	100,000
	<u>31,083,660</u>	<u>5,715,915</u>
Unsecured		
Call borrowings	-	100,000
Overdrawn nostro accounts	277,095	28,474
	<u>277,095</u>	<u>128,474</u>
	<u>31,360,755</u>	<u>5,844,389</u>



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

11. DEPOSITS AND OTHER ACCOUNTS

	30 June 2006 (un-audited)	31 December 2005
(Rupees in '000)		
Customers		
<i>Remunerative</i>		
Fixed deposits	64,139,992	80,167,779
Savings deposits	84,945,017	81,057,975
<i>Non-remunerative</i>		
Current accounts	52,126,824	45,814,316
Margin, call and sundry deposits	3,492,963	3,509,310
	204,704,796	210,549,380
Financial Institutions		
Remunerative deposits	2,028,757	11,760,879
Non-remunerative deposits	35,968	34,808
	2,064,725	11,795,687
	206,769,521	222,345,067
11.1 Particulars of deposits		
In local currency	184,071,000	202,080,886
In foreign currency		
	22,698,521	20,264,181
	206,769,521	222,345,067

11.1.1 This includes deposits of Bangladesh and Afghanistan branches amounting to Rs. 5,765 million (2005: Rs. 1,557 million) and Rs. 1,815 million (2005: Rs. 558 million) respectively.

12. DERIVATIVE INSTRUMENTS

The derivative activities of the Bank is primarily restricted to Forward Rate Agreements which is mainly conducted with banks, financial institutions and other entities. These off balance sheet instruments are contracts, the characteristics of which are derived from those of underlying assets, these include forwards and swaps in foreign exchange market. The bank's exposure in these instruments represents forward foreign exchange contracts on behalf of customers in import and export transactions and forward sales and purchases on behalf of customers in the inter-bank market. The risks associated with forward exchange contracts are managed by matching the maturities and fixing counter-party, dealers' intra-day and overnight limits.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

Product Analysis

Counterparties	Interest Rate Swaps		Forward Rate Agreements		FX Options	
	No. of Contracts	Notional Principal	No. of Contracts	Notional Principal	No. of Contracts	Notional Principal
----- (Rupees in '000') -----						
With Banks for						
- Hedging	-	-	14	392,458	-	-
- Market Making	-	-	83	6,366,368	-	-
With Financial Institutions other than banks for						
- Hedging	-	-	-	-	-	-
- Market Making	-	-	-	-	-	-
With other entities for						
- Hedging	-	-	-	-	-	-
- Market Making	-	-	86	1,202,116	-	-
Total						
- Hedging	-	-	14	392,458	-	-
- Market Making	-	-	169	7,568,484	-	-
	-	-	183	7,960,942	-	-
	-	-	183	7,960,942	-	-

13. CONTINGENCIES AND COMMITMENTS

13.1 Direct credit substitutes

	30 June 2006 (un-audited)	31 December 2005
(Rupees in '000')		
Contingent liability in respect of guarantees given favouring:		
- Government	1,149,874	964,712
- Banking companies and other financial institutions	52,721	44,214
- Others	1,144,815	975,229
	2,347,410	1,984,155



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

	30 June 2006 (un-audited)	31 December 2005		
13.2 Transaction-related contingent liabilities				
Contingent liability in respect of performance bonds, bid bonds, shipping guarantees, standby letters of credit etc. favouring:		(Rupees in '000')		
- Government	9,392,948	8,957,823		
- Banking companies and other financial institutions	613,311	662,917		
- Others	5,950,583	5,004,954		
	15,956,842	14,625,694		
13.3 Trade-related contingent liabilities				
Letters of credit	22,295,007	20,490,078		
Acceptances	6,094,815	4,814,441		
13.4 Other contingencies				
Claims against the Banks not acknowledged as debt	544,536	540,749		
13.5 Commitments in respect of forward lending				
Forward call lending	-	-		
Forward repurchase agreement lending	1,894,807	-		
Commitments to extend credit	3,890,350	2,046,000		
Others	-	-		
	5,785,157	2,046,000		
13.6 Commitments in respect of forward exchange contracts				
Purchase	3,291,939	3,195,895		
Sale	4,669,003	4,683,657		
13.7 Commitments for the acquisition of operating fixed assets and intangibles	164,146	121,522		
13.8 Commitments in respect repo transactions				
Repurchase	2,453,228	206,743		
Resale	27,189,362	26,457,918		
14. OTHER INCOME				
	2006 (un-audited)	2005 (un-audited)		
	Three months period ended 30 June 2006	Six months period ended 30 June 2006		
	Three months period ended 30 June 2005	Six months period ended 30 June 2005		
	(Rupees in '000')			
Net profit on sale of property and equipment	608	1,519	598	1,170
Gain on sale of shares / certificates / units - net	35,401	203,479	(30,810)	142,366
Loss on sale of PIBs	(1,463)	(1,410)	-	-
Postage, telex, service charges etc	195,942	351,948	77,782	187,150
	230,488	555,536	47,570	330,686

This includes other income of Rs. 24.171 million (June 2005: Rs. 14.221 million) of Islamic Banking Division.



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

15. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include major shareholders, associated companies with or without common directors, retirement benefit funds and directors and key management personnel and their close family members.

Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk (i.e. under the comparable uncontrolled price method).

Contributions to and accruals in respect of staff retirements and other benefit plans are made in accordance with the actuarial valuations /terms of the contribution plan. Remuneration to the executives are determined in accordance with the terms of their appointment.

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

	30 June 2006 (Un-audited)						Total
	Directors	Key Management Personnel	Group Companies	Associates	Subsidiaries	Others	
15.1 Deposits	(Rupees in '000)						
Balance at the beginning of the period	4,168	15,119	16,758	685,871	10,832	6	732,754
Placements during the period	22,205	122,973	1,125,857	18,156,101	105,118	-	19,532,254
Withdrawals during the period	(22,601)	(104,225)	(1,116,643)	(18,055,927)	(105,914)	-	(19,405,310)
Balance at end of the period	3,772	33,867	25,972	786,045	10,036	6	859,698
15.2 Advances							
Balance at the beginning of the period	-	61,756	1,565,480	31,969	233,377	200,000	2,092,582
Disbursement during the period	-	12,125	23,820,991	3,277,490	15,465,402	6,120	42,582,128
Repayment during the period	-	(10,055)	(24,137,440)	(1,015,385)	(15,588,854)	(6,120)	(40,757,854)
Balance at the end of the period	-	63,826	1,249,031	2,294,074	109,925	200,000	3,916,856

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

		30 June 2006 (Un-audited)						
		Directors	Key Management Personnel	Group Companies	Associates	Subsidiaries	Others	Total
		(Rupees in '000')						
15.3	Investments							
	Balance at the beginning of the period	-	-	-	1,948,804	109,600	-	2,058,404
	Investment during the period	-	-	-	570,186	-	-	570,186
	Balance at the end of the period	-	-	-	2,518,990	109,600	-	2,628,590
15.4	Borrowings							
	Balance at the beginning of the period	-	-	-	-	-	-	-
	Placements during the period	-	-	15,966,243	-	-	-	15,966,243
	Withdrawals during the period	-	-	(14,062,190)	-	-	-	(14,062,190)
	Balance at end of the period	-	-	1,904,053	-	-	-	1,904,053
15.5	Loans and advances							
	Running Finance							
	- Subsidiary Company				99,868			224,565
	- Other Related Parties				3,543,105			1,597,449
	Long term loans							
	- Subsidiary Company				10,057			8,812
	- Other Related Parties				263,826			261,756
15.6	Contingencies and commitments							
	Letter of credit and acceptance issued				1,013,465			2,289,765
	Guarantees issued				192,593			-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

	30 June 2006	31 December 2005
	(un-audited)	
	(Rupees in '000')	
15.7 Customer accounts		
PLS accounts		
- Subsidiary Company	8,851	9,244
- Other Related Parties	366,317	588,361
Current accounts		
- Subsidiary Company	1,185	1,588
- Other Related Parties	164,025	96,354
Fixed deposit accounts		
- Subsidiary Company	-	-
- Other Related Parties	319,320	37,207
	30 June 2006	30 June 2005
	(un-audited)	
	(Rupees in '000')	
15.8 With subsidiary companies		
Mark-up / Interest earned	8,170	3,902
Brokerage and Commission	1,626	2,261
Rent Income	1,644	960
Finance Lease income	162	50
Lease rentals	1,741	533
Receivable against trade of marketable securities	1,458	-
Receivable against expenditures	1,010	-
Security deposit	794	-
Bank charges recovered	88	131
15.9 With associated companies		
Commission Income from Warid Telecom (Private) Limited	12,551	-
Profit on bank deposit to Alfalah GHP Value Fund	3,390	-



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

	30 June 2006	30 June 2005
	(un-audited) (Rupees in '000')	

15.10 The Key Management Personal / Directors compensation are as follows:

Salaries & benefits	129,578	67,187
---------------------	---------	--------

In addition the chief executive and other executive officers are provided with bank maintained car.

15.11 Net movements in the advances, letters of credit and guarantees, deposits are summarized as under:

	31 December 2005	Disbursement	Repayment	30 June 2006
15.11.1 Loans and advances				
Running Finance	1,822,014	42,561,077	40,740,118	3,642,973
Long term loan	270,568	21,051	17,736	273,883
		Additional Facilities	Settlements	
15.11.2 Contingencies and Commitments				
Letters of credit and acceptances	2,289,765	1,392,823	2,669,123	1,013,465
Guarantees	-	885,454	692,861	192,593
15.11.3 Customer Deposit Accounts		Deposits	Withdrawals	
PLS accounts	597,605	9,749,419	9,971,856	375,168
Current accounts	97,942	8,947,947	8,880,679	165,210
Fixed deposit accounts	37,207	834,888	552,775	319,320

16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on September 6, 2006 by the Board of Directors.

Chief Executive Officer

Director

Director

Chairman



BANK ALFALAH LIMITED**ISLAMIC BANKING DIVISION**

The bank is operating 15 Islamic banking branches as at 30 June 2006 (15 Islamic banking branches as at 31 December 2005).

	30 June 2006	31 December 2005
	(Rupees in '000)	
ASSETS		
Cash and balances with treasury banks	2,615,834	2,502,913
Balances with and Due from Financial Institutions	1,881,783	2,007,817
Investments	591,919	97,973
Financing and Receivables		
-Murahaba	2,687,765	2,191,028
-Ijara	6,545,053	5,368,691
-Musharaka	72,387	97,173
-Diminishing Musharaka	2,145,816	1,905,182
-Salam	182,942	-
-Other Islamic Modes	169,808	554,649
Other assets	969,130	594,256
Total Assets	17,862,437	15,319,682
LIABILITIES		
Bills payable	237,359	254,085
Due to Financial Institutions	-	5,000
Deposits and other accounts		
-Current Accounts	4,671,756	4,477,525
-Saving Accounts	4,467,553	2,984,505
-Term Deposits	2,961,678	3,996,656
-Others	179,621	87,434
-Deposit from Financial Institutions -Remunerative	1,830,852	925,612
-Deposits from Financial Institutions-Non-Remunerative	-	-
Due to Head Office	-	-
Other liabilities	2,088,802	1,269,103
	16,437,621	13,999,920
NET ASSETS	1,424,816	1,319,762
REPRESENTED BY		
Islamic Banking Fund	1,200,000	1,200,000
Reserves	23,542	23,542
Unappropriated / Unremitted profit	125,855	19,250
	1,349,397	1,242,792
Surplus / (Deficit) on revaluation of assets	75,419	76,970
	1,424,816	1,319,762
Remuneration to Shariah Advisor / Board	311	1,196
CHARITY FUND		
Opening Balance	2,908	7,109
Additions during the period	3,964	2,908
Payments / Utilization during the period	-	(7,109)
Closing Balance	6,872	2,908



Consolidated Condensed Financial Statements
of
Bank Alfalah Limited
&
Subsidiary Companies
for the half-year ended
June 30, 2006

BANK ALFALAH LIMITED



بنك الفلاح المحدود

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

As at June 30, 2006

	Note	30 June 2006 (un-audited)	31 December 2005 (Restated)
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		23,614,623	24,788,625
Balances with other banks		8,983,759	9,716,206
Lendings to financial institutions		5,311,040	27,050,493
Investments	7	80,761,670	56,917,363
Advances	8	128,314,787	118,639,706
Other assets		4,826,465	4,449,794
Operating fixed assets	9	7,636,074	6,660,158
Deferred tax assets		-	-
		259,448,418	248,222,345
LIABILITIES			
Bills payable		3,066,867	3,733,124
Borrowings from financial institutions	10	31,397,734	5,844,389
Deposits and other accounts	11	206,760,444	222,335,585
Sub-ordinated loans		3,222,730	3,223,355
Liabilities against assets subject to finance lease		1,481	1,510
Other liabilities		6,865,243	5,507,817
Deferred tax liabilities		647,644	484,066
		251,962,143	241,129,846
NET ASSETS		7,486,275	7,092,499
REPRESENTED BY			
Share capital		4,000,000	3,000,000
Reserves		1,511,910	2,351,218
Unappropriated profit		1,280,025	973,076
		6,791,935	6,324,294
Minority Interest		38,568	42,142
		6,830,503	6,366,436
Surplus on revaluation of assets - net of deferred tax		655,772	726,063
		7,486,275	7,092,499

CONTINGENCIES AND COMMITMENTS

13

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Director

Chairman

BANK ALFALAH LIMITED



بنك الفلاح المحدود

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2006

	Note	2006		2005	
		Three months period ended 30 June 2006	Six months period ended 30 June 2006	Three months period ended 30 June 2005	Six months period ended 30 June 2005
------(Rupees in '000')-----					
Mark-up / return / interest earned		5,208,236	10,061,841	2,599,402	4,630,212
Mark-up / return / interest expensed		(3,692,949)	(7,318,804)	(1,296,913)	(2,268,468)
Net mark-up / return / interest income		1,515,287	2,743,037	1,302,489	2,361,744
Provision against non-performing loans and advances		(130,246)	(299,298)	(88,482)	(167,484)
Gain / (loss) on remeasurement of held for trading investments		(74,957)	(100,417)	37,487	(49,201)
Bad debts written off directly		(243)	(513)	(240)	(284)
		(205,446)	(400,228)	(51,235)	(216,969)
Net mark-up / return / interest income after provisions		1,309,841	2,342,809	1,251,254	2,144,775
Non mark-up / interest income					
Fee, commission and brokerage income		427,497	826,361	264,857	485,897
Dividend income		4,571	9,474	11,978	26,142
Income from trading in government securities		-	-	-	-
Income from dealing in foreign currencies		94,011	183,741	60,996	108,200
Other income	14	229,330	557,728	48,358	333,819
Total non-mark-up / interest income		755,409	1,577,304	386,189	954,058
		2,065,250	3,920,113	1,637,443	3,098,833
Non mark-up / interest expense					
Administrative expenses		1,459,876	2,804,563	969,591	1,815,120
Other provisions / write-offs		-	-	-	9,673
Other charges / (refunds)		(383)	(383)	265	329
Total non-mark-up / interest expenses		1,459,493	2,804,180	969,856	1,825,122
Extra ordinary / unusual items		-	-	-	-
Share of loss of associated undertaking		(337,791)	(531,152)	-	-
Profit before taxation		267,966	584,781	667,587	1,273,711
Taxation					
- Current		88,963	202,857	198,106	395,288
- Prior		(45,000)	(45,000)	-	(6,000)
- Deferred		140,871	152,826	47,706	40,722
- Share of Tax of associated undertaking		(51,155)	(178,895)	-	-
		133,679	131,788	245,812	430,010
Profit after taxation		134,287	452,993	421,775	843,701
Attributable to:					
Shareholder of the bank		136,487	456,567	422,935	845,513
Minority interest		(2,200)	(3,574)	(1,160)	(1,812)
		134,287	452,993	421,775	843,701
Basic / diluted earnings per share	Rupees	0.34	1.14	1.06	2.11

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Director

Chairman



CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2006

Note	30 June 2006	30 June 2005
	(Rupees in '000')	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	584,781	1,273,711
Share of Loss of Associates	531,152	
Less: Dividend income	(9,474)	(26,142)
	<u>1,106,459</u>	<u>1,247,569</u>
Adjustments for non-cash charges		
Depreciation	324,643	211,117
Amortisation - intangible assets	8,136	6,850
Provision against non-performing advances (net off reversals)	299,298	167,484
Gain / (loss) on remeasurement of held for trading investments	100,417	49,201
Bad debts written-off directly	513	284
Gain on sale of operating fixed assets	(1,519)	(1,184)
Provision for gratuity	34,689	23,029
	<u>766,177</u>	<u>456,781</u>
	<u>1,872,636</u>	<u>1,704,350</u>
(Increase) / decrease in operating assets		
Lending to financial institutions	22,676,792	(9,203,127)
Advances	(9,974,892)	(8,455,713)
Net investment in held-for-trading securities	110,862	4,826
Other assets	296,803	(281,746)
	<u>12,515,959</u>	<u>(17,935,760)</u>
Increase / (decrease) in operating liabilities		
Bills payable	(666,257)	427,501
Borrowings from financial institutions	25,553,345	(5,892,957)
Deposits	(15,575,141)	33,014,233
Other liabilities	1,322,737	1,068,952
	<u>10,634,684</u>	<u>28,617,729</u>
	<u>25,023,279</u>	<u>12,386,319</u>
Income tax paid	(233,658)	(516,594)
<i>Net cash flow from operating activities</i>	<u>24,789,621</u>	<u>11,869,725</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	(26,986,232)	(4,506,583)
Net investment in held-to-maturity securities	3,102,073	(1,418,031)
Investment in associated company	(570,186)	(561,824)
Proceeds from the issue of share capital of subsidiary company	-	6,000
Dividend received	8,427	24,586
Investments in operating fixed assets	(1,316,462)	(1,397,749)
Sale proceeds of property and equipment disposed-off	6,266	4,017
<i>Net cash flow from investing activities</i>	<u>(25,756,114)</u>	<u>(7,849,584)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital	-	499,800
Share premium received	-	499,800
Redemption of sub-ordinated loans	(625)	(370)
Dividend paid	-	-
Payment against lease obligation	(29)	(608)
<i>Net cash flow from financing activities</i>	<u>(654)</u>	<u>998,622</u>
Adjustment of exchange translation reserve	(1,963)	-
Increase in cash and cash equivalents	<u>(969,110)</u>	<u>5,018,763</u>
Cash and cash equivalents at beginning of the period	35,294,831	22,903,299
Cash and cash equivalents at end of the period	<u>34,325,721</u>	<u>27,922,062</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash and balances with treasury banks	23,614,623	18,996,311
Balances with other banks	8,983,759	8,725,751
Call money lendings	1,727,339	200,000
	<u>34,325,721</u>	<u>27,922,062</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Director

Chairman



CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2006

	Share Capital	Share Premium	Statutory Reserve	Reserve for Issue of Bonus Share	Exchange Translation Reserve	Unappropriated profit	SUB TOTAL	Minority Interest	TOTAL
	(Rupees in '000)								
Balance at January 1, 2005	2,500,000	-	1,008,772	-	-	856,297	4,365,069	41,903	4,406,972
<i>Changes in equity for six months ended upto 30 June 2005</i>									
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	12,435	12,435	-	12,435
Profit attributable to equity holders of the parent	-	-	-	-	-	843,701	843,701	-	843,701
Loss attributable to minority	-	-	-	-	-	(1,812)	1812	(1,812)	-
Total recognized income and expense for the period	-	-	-	-	-	857,948	857,948	(1,812)	856,136
Capital Contribution by Minority	-	-	-	-	-	-	-	6,000	6,000
Transfer to statutory reserve	-	-	169,320	-	-	(169,320)	-	-	-
Issue of Rights shares	500,000	500,000	-	-	-	-	1,000,000	-	1,000,000
Effect of foreign currency translation	-	-	-	-	(9)	-	(9)	-	(9)
Interim dividend @ 12 percent	-	-	-	-	-	(360,000)	(360,000)	-	(360,000)
Balance at June 30, 2005	3,000,000	500,000	1,178,092	-	(9)	1,184,925	5,863,008	46,091	5,909,099
<i>Changes in equity for six months ended upto 31 December 2005</i>									
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	12,435	12,435	-	12,435
Profit attributable to equity holders of the parent	-	-	-	-	-	442,866	442,866	-	442,866
Loss attributable to minority	-	-	-	-	-	3,949	-	(3,949)	-
Total recognized income and expense for the period	-	-	-	-	-	459,250	459,250	(3,949)	455,301
Transfer to statutory reserve	-	-	171,099	-	-	(171,099)	-	-	-
Issue of Rights shares	-	-	-	-	-	-	-	-	-
Effect of foreign currency translation	-	-	-	-	2,036	-	2,036	-	2,036
Interim dividend @ 12 percent	-	-	-	-	-	-	-	-	-
Transfer to reserve for issue of bonus shares 1 for every 3 shares held	-	(500,000)	-	1,000,000	-	(500,000)	-	-	-
Balance at December, 2005 as previously reported	3,000,000	-	1,349,191	1,000,000	2,027	973,076	6,324,294	42,142	6,366,436
Effect of change in accounting policy with respect to bonus shares declared after balance sheet date	-	500,000	-	(1,000,000)	-	500,000	-	-	-
Balance at December, 2005 as restated	3,000,000	500,000	1,349,191	-	2,027	1,473,076	6,324,294	42,142	6,366,436
<i>Changes in equity for six months ended upto 30 June 2006</i>									
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	13,037	13,037	-	13,037
Profit attributable to equity holders of the parent	-	-	-	-	-	452,993	452,993	-	452,993
Loss attributable to minority	-	-	-	-	-	3,574	3,574	(3,574)	-
Total recognized income and expense for the period	-	-	-	-	-	469,604	469,604	(3,574)	466,030
Transfer to statutory reserve	-	-	162,655	-	-	(162,655)	-	-	-
Issue of Bonus shares	1,000,000	(500,000)	-	-	-	(500,000)	-	-	-
Effect of foreign currency translation	-	-	-	-	(1,963)	-	(1,963)	-	(1,963)
Balance at June, 2006	4,000,000	-	1,511,846	-	64	1,280,025	6,791,935	38,568	6,830,503

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Director

Chairman

BANK ALFALAH LIMITED



بنك الفلاح المحدود

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2006

1. STATUS AND NATURE OF BUSINESS

Bank Alfalah Limited (the Bank) was incorporated in Pakistan on 21 June 1992 as a public limited company under the Companies Ordinance, 1984. It commenced banking operations from 1 November 1992. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and is operating through 136 conventional banking (December 2005: 128) branches and 15 Islamic Banking (December 2005: 15) branches and 4 foreign (December 2005 :4) branches. Its registered office is situated at B.A. Building, I.I. Chundrigar Road, Karachi.

The Bank has invested in 76 percent (December 2005: 76 percent) shares of Alfalah Securities (Private) Limited. The principal objective of the company is to undertake the business of a brokerage house.

Alfalah Securities (Private) Limited was incorporated on September 23, 2003 with registered office in Karachi, Pakistan. The company obtained corporate membership from Karachi Stock Exchange (Guarantee) Limited on November 24, 2003.

The Bank has invested in 56 percent (December 2005: 56 percent) shares of Alfalah GHP Investment Management Limited. The principal activity of the company is to act as asset management company, investment advisor / fund manager and constitute, float and manage open-ended and closed-ended funds. Alfalah GHP Investment was incorporated on October 18, 2004 as a public limited company under the Companies Ordinance, 1984 with registered office in Karachi, Pakistan. The certificate of commencement of business was obtained on March 10, 2005. The company is registered as an Asset Management Company and Investment Advisor under the Non Banking Finance Corporation (NBFC) (Establishment and Regulation) Rules 2003. During the second half of the year 2005, the company floated an open end fund Alfalah GHP Value Fund.

The Bank is listed on Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited with effect from 5 July 2004 and 6 July 2004 respectively.

2. DISCONTINUING OPERATION

On 28 October 2005 the Board of Directors of the Bank approved a plan to segregate its business of Islamic Banking into a separate entity. The segregation reflects Bank's plan to remain competitive with ever increasing competition in the local market and become the premier Islamic bank. Resultantly, in order to achieve this objective the Board feels that the Islamic Banking Division should be converted into a wholly owned subsidiary of the Bank. As of 30 June 2006 the Islamic Banking Division's assets were Rs. 17,862 million and its liabilities were Rs. 16,438 million.

During the period ended 30 June 2006, Islamic Banking Division earned revenue of Rs. 594.499 million, incurred expenses of Rs. 313.819 million and earned a pre-tax profit of Rs. 106.605 million with a related tax expense (including current and deferred tax) of Rs. 29.337 million. During the period ended 30 June 2006, Islamic Banking Division's cash inflow from operating activities was Rs. 504.429 million, cash outflow from investing activities was Rs. 517.542 million, and cash inflow from financing activities was Rs. Nil.

3. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with the Approved Accounting Standards and the requirements of the 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. Wherever the requirements of the Companies Ordinance, 1984, the 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, the Banking Companies Ordinance, 1962 or the requirements of the said directives take precedence.



NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

The State Bank of Pakistan vide BSD Circular No. 10 dated 26 August 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40). Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified in accordance with the categories prescribed by the State Bank of Pakistan.

The disclosures made in these condensed interim financial statements have, however been limited based on the format prescribed by the State Bank of Pakistan vide BSD Circular Letter No. 2 dated 12 May 2004 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Bank for the year ended 31 December 2005.

During the period Securities and Exchange Commission of Pakistan notified the Islamic Financial Accounting Standard 1 issued by the Institute of Chartered Accountants of Pakistan relating to accounting for Murabaha transactions undertaken by a bank. The said standard is effective for financial statements of banks for the financial periods beginning on or after 1 January 2006. The Bank has not adopted the above standard as it considers that this standard should be applicable to the dedicated Islamic banks preparing their financial statements in accordance with Islamic Financial Reporting Standards rather than to certain transactions carried out on an Islamic basis by Islamic Banking branches of traditional commercial banks. Further, the Bank also considers that the adoption of the standard may expose the Bank to certain additional tax liabilities which may need to be resolved before this standard can be adopted.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for preparation of these condensed interim financial statements are the same as those applied in preparation of the annual financial statements of the bank for the year ended 31 December 2005, except for the effect of the change in accounting policy relating to appropriation of reserve for bonus issue. During the current period the bank has changed its policy whereby appropriation to reserve for bonus issue is now recognised in the period in which it is approved. Previously, the financial statements were adjusted for appropriation approved subsequent to the year-end. The change has been made to comply with directive of the Institute of Chartered Accountants of Pakistan, through circular No. 06 of 19 June 2006. The change in accounting policy has been applied retrospectively and comparative information has been restated in accordance with the treatment specified by IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors). Had there been no change in accounting policy the unappropriated profit for the year ended 31 December 2005 would have been lower and reserves as at that date would have been higher by Rs. 500 million respectively.

5. ESTIMATES AND ASSUMPTIONS

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by the management and the key sources of estimating uncertainty in preparation of these financial statements were same as those applied to the annual financial statements as at and for the year ended 31 December 2005.

6. FINANCIAL RISK MANAGEMENT

The Bank's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 31 December 2005.



NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

7. INVESTMENTS

7.1 Investments by types

	30 June 2006 (un-audited)			31 December 2005		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
	(Rupees in '000)					
Held for trading securities						
Treasury Bills	-	-	-	276,775	-	276,775
Ordinary shares of listed companies / units of investment schemes	609,164	-	609,164	443,251	-	443,251
	609,164	-	609,164	720,026	-	720,026
Available for sale securities						
<i>Government Securities</i>						
Market Treasury Bills	13,402,778	18,699,616	32,102,394	5,534,534	-	5,534,534
Pakistan Investment Bonds	2,133,812	-	2,133,812	2,151,343	-	2,151,343
Prize Bonds	17,724	-	17,724	9,445	-	9,445
	15,554,314	18,699,616	34,253,930	7,695,322	-	7,695,322
<i>Quoted Securities</i>						
Ordinary shares / units of investment schemes	609,930	-	609,930	597,738	-	597,738
Term Finance Certificates	760,878	-	760,878	496,345	-	496,345
	1,370,808	-	1,370,808	1,094,083	-	1,094,083
<i>Unquoted Securities</i>						
Ordinary shares	129,821	-	129,821	76,979	-	76,979
Certificates of investment	203,316	-	203,316	105,259	-	105,259
	333,137	-	333,137	182,238	-	182,238
	17,258,259	18,699,616	35,957,875	8,971,643	-	8,971,643
Held to maturity securities						
Unquoted Term Finance Certificates	1,549,879	-	1,549,879	1,767,600	-	1,767,600
Pakistan Investment Bonds	9,686,941	-	9,686,941	9,635,243	255,327	9,890,570
Treasury Bills	23,610,728	7,176,078	30,786,806	33,967,529	-	33,967,529
Government Bonds	85,341	-	85,341	85,341	-	85,341
Sukook Bonds	500,000	-	500,000	-	-	-
	35,432,889	7,176,078	42,608,967	45,455,713	255,327	45,711,040
Associated Companies						
Warid Telecom (Private) Limited	1,158,883	-	1,158,883	1,442,095	-	1,442,095
Wateen Telecom (Private) Limited	419,063	-	419,063	-	-	-
Alfalsh Insurance Company Limited	68,043	-	68,043	-	-	-
Alfalsh GHP Value Fund	115,572	-	115,572	101,536	-	101,536
	1,761,561	-	1,761,561	1,543,631	-	1,543,631
	55,061,873	25,875,694	80,937,567	56,691,013	255,327	56,946,340
Gain / (loss) on remeasurement of held for trading investments	(79,406)	-	(79,406)	21,011	-	21,011
(Deficit) / surplus on revaluation of available for sale securities	(90,304)	(6,187)	(96,491)	(49,988)	-	(49,988)
	54,892,163	25,869,507	80,761,670	56,662,036	255,327	56,917,363

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

8. ADVANCES

	30 June 2006 (un-audited)	31 December 2005
	(Rupees in '000)	
Loans, cash credits, running finances etc.		
- in Pakistan	106,689,745	99,610,701
- outside Pakistan	2,411,862	1,361,725
	109,101,607	100,972,426
Net investment in finance lease / Ijara Financing		
- in Pakistan	13,535,037	12,149,319
- outside Pakistan	-	-
	13,535,037	12,149,319
Bills discounted and purchased (excluding treasury bills)		
- Payable in Pakistan	1,935,219	2,222,723
- Payable outside Pakistan	5,579,795	4,848,219
	7,515,014	7,070,942
	130,151,658	120,192,687
Provision for non-performing advances - Specific	(862,980)	(707,369)
Provision for non-performing advances - General	(973,891)	(845,612)
	128,314,787	118,639,706

8.1 This represents advances of Bangladesh and Afghanistan Branches amounting to Rs. 2,406.423 million and Rs. 5.439 million respectively.

8.2 Advances include Rs. 1,608.647 million (2005: Rs. 1,059.955 million) which have been placed under non-performing status.

8.3 Category of classification

	Domestic	Overseas	Total	Provision Required		Provision held	
				Specific	General	Specific	General
(Rupees in '000)							
Other assets especially mentioned							
(Agri Financing)	45,996	-	45,996	-	-	-	-
Substandard	367,086	-	367,086	52,412	-	52,412	-
Doubtful	96,036	-	96,036	37,523	-	37,523	-
Loss	1,062,374	37,155	1,099,529	773,045	-	773,045	-
	1,571,492	37,155	1,608,647	862,980	883,246	862,980	973,891



NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

8.4 Particulars of provisions against non performing advances:

	30 June 2006 (Un-audited)			31 December 2005		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000')					
Opening balance	707,369	845,612	1,552,981	851,119	508,938	1,360,057
Opening balance of foreign branch acquired during the year	-	-	-	20,787	16,629	37,416
Exchange adjustments	(920)	(3,728)	(4,648)	-	-	-
Charge for the half year	255,723	132,103	387,826	206,704	320,269	526,973
Reversals	(88,432)	(96)	(88,528)	(124,451)	(224)	(124,675)
	167,291	132,007	299,298	82,253	320,045	402,298
Transferred from interest in suspense	-	-	-	3,637	-	3,637
Amounts written off	(10,760)	-	(10,760)	(250,427)	-	(250,427)
Closing balance	862,980	973,891	1,836,871	707,369	845,612	1,552,981

8.5 Particulars of provisions for consumer financing - general

	30 June 2006 (un-audited)	31 December 2005
	(Rupees in '000')	
Opening balance	652,333	387,588
Charge for the period	107,113	264,969
Reversals	(126)	(224)
	759,320	652,333

General provision against consumer financing has been determined in accordance with the requirements of the Prudential Regulations issued by the State Bank of Pakistan.

9. OPERATING FIXED ASSETS

		30 June 2006 (un-audited)	31 December 2005
		(Rupees in '000')	
Capital work in- progress	9.1	1,132,812	1,044,921
Property and equipment	9.2	6,472,676	5,580,047
Intangible assets		30,586	35,190
		7,636,074	6,660,158

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

9.1 This includes capital work in progress of Rs. 15.683 million (December 2005: Rs. Nil) and Rs. 10.268 million (December 2005: Rs. 5.116 million) of Bangladesh and Afghanistan branches respectively.

9.2 This includes property and equipment of Rs. 17.728 million (December 2005: Rs. 10.832 million) and Rs. 10.356 million (December 2005: Rs. 10.890 million) of Bangladesh and Afghanistan branches respectively.

	30 June 2006 (un-audited)	30 June 2005
	(Rupees in '000')	
9.3 Additions to property and equipment and intangibles - at cost		
Office premises	596,567	716,989
Leasehold improvements	92,933	38,558
Furniture and fixtures	70,090	50,225
Office equipment	396,363	319,762
Vehicles	68,920	77,558
Intangibles	3,698	8,969
	<u>1,228,571</u>	<u>1,212,061</u>
9.4 Disposal of fixed assets - at written down value		
Furniture and fixtures	328	692
Office Equipment	1,011	2,092
Vehicles	3,408	49
	<u>4,747</u>	<u>2,833</u>
10. BORROWINGS FROM FINANCIAL INSTITUTIONS		
Secured		
Borrowing from financial institutions	36,979	-
Borrowings from State Bank of Pakistan under		
- Export refinance scheme	5,109,081	5,585,988
- Long term finance for export oriented projects scheme (LTFEOP)	240,850	29,927
Repurchase agreement borrowings	25,733,729	100,000
	<u>31,120,639</u>	<u>5,715,915</u>
Unsecured		
Call borrowings	-	100,000
Overdrawn nostro accounts	277,095	28,474
	<u>277,095</u>	<u>128,474</u>
	<u>31,397,734</u>	<u>5,844,389</u>



NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

11. DEPOSITS AND OTHER ACCOUNTS	Note	30 June 2006 (un-audited)	31 December 2005
(Rupees in '000)			
Customers			
<i>Remunerative</i>			
Fixed deposits		64,139,992	80,167,779
Savings deposits		84,936,344	81,048,878
<i>Non-remunerative</i>			
Current accounts		52,126,420	45,813,931
Margin, call and sundry deposits		3,492,963	3,509,310
		204,695,719	210,539,898
Financial Institutions			
Remunerative deposits		2,028,757	11,760,879
Non-remunerative deposits		35,968	34,808
		2,064,725	11,795,687
		206,760,444	222,335,585
11.1 Particulars of deposits			
In local currency		182,260,405	202,071,404
In foreign currency	11.1.1	22,698,521	20,264,181
		206,760,444	222,335,585

11.1.1 This includes deposits of Bangladesh and Afghanistan branches amounting to Rs. 5,765 million (2005: Rs. 1,557 million) and Rs. 1,815 million (2005: Rs. 558 million) respectively.

12. DERIVATIVE INSTRUMENTS

The derivative activities of the Bank is primarily restricted to Forward Rate Agreements which is mainly conducted with banks, financial institutions and other entities. These off balance sheet instruments are contracts, the characteristics of which are derived from those of underlying assets, these include forwards and swaps in foreign exchange market. The bank's exposure in these instruments represents forward foreign exchange contracts on behalf of customers in import and export transactions and forward sales and purchases on behalf of customers in the inter-bank market. The risks associated with forward exchange contracts are managed by matching the maturities and fixing counter-party, dealers' intra-day and overnight limits.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

Product Analysis

Counterparties	Interest Rate Swaps		Forward Rate Agreements		FX Options	
	No. of Contracts	Notional Principal	No. of Contracts	Notional Principal	No. of Contracts	Notional Principal
With Banks for				(Rupees in '000')		
- Hedging	-	-	14	392,458	-	-
- Market Making	-	-	83	6,366,368	-	-
With Financial Institutions other than banks for						
- Hedging	-	-	-	-	-	-
- Market Making	-	-	-	-	-	-
With other entities for						
- Hedging	-	-	-	-	-	-
- Market Making	-	-	86	1,202,116	-	-
Total						
- Hedging	-	-	14	392,458	-	-
- Market Making	-	-	169	7,568,484	-	-
	-	-	183	7,960,942	-	-
	-	-	183	7,960,942	-	-

13. CONTINGENCIES AND COMMITMENTS

13.1 Direct credit substitutes

	30 June 2006 (un-audited) (Rupees in '000')	31 December 2005
Contingent liability in respect of guarantees given favouring:		
- Government	1,149,874	964,712
- Banking companies and other financial institutions	52,721	44,214
- Others	1,144,815	975,229
	2,347,410	1,984,155



NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

	30 June 2006 (un-audited)	31 December 2005
13.2 Transaction-related contingent liabilities		
Contingent liability in respect of performance bonds, bid bonds, shipping guarantees, standby letters of credit etc. favouring:	(Rupees in '000')	
- Government	9,392,948	8,957,823
- Banking companies and other financial institutions	613,311	662,917
- Others	5,950,583	5,004,954
	15,956,842	14,625,694
13.3 Trade-related contingent liabilities		
Letters of credit	22,295,007	20,490,078
Acceptances	6,094,815	4,814,441
13.4 Other contingencies		
Claims against the Banks not acknowledged as debt	544,536	540,749
13.5 Commitments in respect of forward lending		
Forward call lending	-	-
Forward repurchase agreement lending	1,894,807	-
Commitments to extend credit	3,890,350	2,046,000
Others	-	-
	5,785,157	2,046,000
13.6 Commitments in respect of forward exchange contracts		
Purchase	3,291,939	3,195,895
Sale	4,669,003	4,683,657
13.7 Commitments for the acquisition of operating fixed assets and intangibles	164,146	122,942
13.8 Commitments in respect repo transactions		
Repurchase	2,453,228	206,743
Resale	27,189,362	26,457,918
13.9 Commitments in respect of CFS transaction		
CFS transaction (including transactions to be rolled over) entered into by the subsidiary company in respect of which the purchase transactions have not been settled.	407,183	-
CFS transaction (including transactions to be rolled over) entered into by the subsidiary company in respect of which the sale transactions have not been settled.	415,457	-

14. OTHER INCOME

	2006 (un-audited)		2005 (un-audited)	
	Three months period ended 30 June 2006	Six months period ended 30 June 2006	Three months period ended 30 June 2005	Six months period ended 30 June 2005
	(Rupees in '000')			
Net profit on sale of property and equipment	608	1,519	612	1,184
Gain on sale of shares / certificates / units - net	36,401	203,479	(26,731)	146,445
Loss on sale of PIBs	(1,463)	(1,410)	-	-
Postage, telex, service charges etc	193,784	354,140	74,477	186,190
	229,330	557,728	48,358	333,819

This includes other income of Rs. 24.171 million (June 2005: Rs. 14.221 million) of Islamic Banking Division.



NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

15. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include major shareholders, associated companies with or without common directors, retirement benefit funds and directors and key management personnel and their close family members.

Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk (i.e. under the comparable uncontrolled price method).

Contributions to and accruals in respect of staff retirements and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives are determined in accordance with the terms of their appointment.

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

	30 June 2006 (Un-audited)					Total
	Directors	Key Management Personnel	Group Companies	Associates	Others	
	(Rupees in '000')					
15.1 Deposits						
Balance at the beginning of the period	4,168	15,119	16,758	685,871	6	721,922
Placements during the period	22,205	122,973	1,125,857	18,156,101	-	19,427,136
Withdrawals during the period	(22,601)	(104,225)	(1,116,643)	(18,055,927)	-	(19,299,396)
Balance at end of the period	<u>3,772</u>	<u>33,867</u>	<u>25,972</u>	<u>786,045</u>	<u>6</u>	<u>849,662</u>
15.2 Advances						
Balance at the beginning of the period	-	61,756	1,565,480	31,969	200,000	1,859,205
Disbursement during the period	-	12,125	23,820,991	3,277,490	6,120	27,116,726
Repayment during the period	-	(10,055)	(24,137,440)	(1,015,385)	(6,120)	(25,169,000)
Balance at the end of the period	<u>-</u>	<u>63,826</u>	<u>1,249,031</u>	<u>2,294,074</u>	<u>200,000</u>	<u>3,806,931</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

	30 June 2006 (Un-audited)					
	Directors	Key Management Personnel	Group Companies	Associates	Others	Total
	(Rupees in '000')					
15.3 Investments						
Balance at the beginning of the period	-	-	-	1,948,804	-	1,948,804
Investment during the period	-	-	-	570,186	-	570,186
Balance at the end of the period	-	-	-	2,518,990	-	2,518,990
15.4 Borrowings						
Balance at the beginning of the period	-	-	-	-	-	-
Placements during the period	-	-	15,966,243	-	-	15,966,243
Withdrawals during the period	-	-	(14,062,190)	-	-	(14,062,190)
Balance at end of the period	-	-	1,904,053	-	-	1,904,053
15.5 Loans and advances						
				30 June 2006		31 December 2005
				(un-audited)		
				(Rupees in '000')		
Running Finance - Other Related Parties				3,543,105		1,597,449
Long term loans - Other Related Parties				263,826		261,756
15.6 Contingencies and commitments						
Letter of credit and acceptance issued				1,013,465		2,289,765
Guarantees issued				192,593		-
15.7 Customer accounts						
PLS accounts - Other Related Parties				366,317		588,361
Current accounts - Other Related Parties				164,025		96,354
Fixed deposit accounts - Other Related Parties				319,320		37,207

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

	30 June 2006 (un-audited)	30 June 2005
15.8 With associated companies	(Rupees in '000')	
Commission Income from Warid Telecom (Private) Limited	12,551	-
Profit on bank deposit to Alfalah GHP Value Fund	3,390	-
15.9 The Key Management Personal / Directors compensation are as follows:		
Salaries & benefits - Parent Company	129,578	67,187
Salaries & benefits - Subsidiary Company	4,400	4,126

In addition the chief executive and other executive officers are provided with bank maintained car.

15.10 Net movements in the advances, letters of credit and guarantees, deposits are summarized as under:

	31 December 2005	Disbursement	Repayment	30 June 2006
15.10.1 Loans and advances				
Running Finance	1,597,449	27,098,481	25,152,825	3,543,105
Long term loan	261,756	18,245	16,175	263,826
15.10.2 Contingencies and Commitments		Additional Facilities	Settlements	
Letters of credit and acceptances	2,289,765	1,392,823	2,669,123	1,013,465
Guarantees	-	885,454	692,861	192,593
15.10.3 Customer Deposit Accounts		Deposits	Withdrawals	
PLS accounts	588,361	9,667,726	9,889,770	366,317
Current accounts	96,354	8,929,522	8,856,851	164,025
Fixed deposit accounts	37,207	834,888	552,775	319,320

16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on September 6, 2006 by the Board of Directors.

Chief Executive Officer

Director

Director

Chairman



BANK ALFALAH LIMITED**ISLAMIC BANKING DIVISION**

The bank is operating 15 Islamic banking branches as at 30 June 2006 (15 Islamic banking branches as at 31 December 2005).

	30 June 2006	31 December 2005
	(Rupees in '000)	
ASSETS		
Cash and balances with treasury banks	2,615,834	2,502,913
Balances with and Due from Financial Institutions	1,881,783	2,007,817
Investments	591,919	97,973
Financing and Receivables		
-Murahaba	2,687,765	2,191,028
-Ijara	6,545,053	5,368,691
-Musharaka	72,387	97,173
-Diminishing Musharaka	2,145,816	1,905,182
-Salam	182,942	-
-Other Islamic Modes	169,808	554,649
Other assets	969,130	594,256
Total Assets	17,862,437	15,319,682
LIABILITIES		
Bills payable	237,359	254,085
Due to Financial Institutions	-	5,000
Deposits and other accounts		
-Current Accounts	4,671,756	4,477,525
-Saving Accounts	4,467,553	2,984,505
-Term Deposits	2,961,678	3,996,656
-Others	179,621	87,434
-Deposit from Financial Institutions -Remunerative	1,830,852	925,612
-Deposits from Financial Institutions-Non-Remunerative	-	-
Due to Head Office	-	-
Other liabilities	2,088,802	1,269,103
	16,437,621	13,999,920
NET ASSETS	1,424,816	1,319,762
REPRESENTED BY		
Islamic Banking Fund	1,200,000	1,200,000
Reserves	23,542	23,542
Unappropriated / Unremitted profit	125,855	19,250
	1,349,397	1,242,792
Surplus / (Deficit) on revaluation of assets	75,419	76,970
	1,424,816	1,319,762
Remuneration to Shariah Advisor / Board	311	1,196
CHARITY FUND		
Opening Balance	2,908	7,109
Additions during the period	3,964	2,908
Payments / Utilization during the period	-	(7,109)
Closing Balance	6,872	2,908

BRANCH NETWORK

KARACHI

Main Branch

B.A. Building, I.I.Chundrigar Road.
Phone : (021) 2414030-39
UAN No. : 111-777-786
Fax : 2417006, 2434181

Cloth Market Branch

Cochinwala Market, Luxmidas Street.
Phone : (021) 2401621-6 Fax : 2401627-2418896

Clifton Branch

World Trade Centre, Khayaban-e-Romi, Clifton.
Phone : (021) 5833778-82 Fax : 5879175

Shahrah-e-Faisal Branch

Fortune Centre, Shahrah-e-Faisal.
Phone : (021) 4313536-38 , 4522441, 4522460
Fax : 4313539

Jodia Bazar Branch

Gulzar Manzil, Jodia Bazar.
Phone : (021) 2532483-4, 2544816-20
Fax : 2532485

Korangi Industrial Area Branch

Aiwan-e-Sanat, Plot No.ST-4/2, Sector 23,
Korangi Industrial Area.
Phone : (021) 5065701-2 Fax : 5050653

M.A.Jinnah Road Branch

Plot No.23/1, Zelin Place (Habib Bank Building),
M.A.Jinnah Road/Abdullah Haroon Road.
Phone : (021)2750627-28,
Fax : 2750629

S.I.T.E. Branch

D-40, Estate Avenue, Siemens Chowrangi, S.I.T.E.
Phone : (021) 2581247, 2582114-6
Fax : 2582113, 2581247

North Karachi Industrial Area Branch

Sector 12-B, North Karachi Industrial Area,
Opp: Police Station Gabol Town.
Phone : (021) 6987644, 6986170 Fax : 6986051

Paper Market Branch

Plot No. S.R.7/23, Campbell Street, Paper Market.
Phone : (021) 2211353-58 Fax : 2211243

Gulshan-e-Iqbal Branch

Plot No.SB-15, Block 13-B, KDA Scheme No.24,
University Road, Gulshan-e-Iqbal.
Phone : (021) 4984851, 4984937, 4984904
Fax : 4984971

Karachi Stock Exchange Branch

18-20, Karachi Stock Exchange Building,
Stock Exchange Road.
Phone : (021) 2417515-19 Fax : 2418353

North Napier Road Branch

Surv. No. 35 / Sheet No. NP-10 (Old Surv.No.A26/5),
Napier Quarters.
Phone : (021) 2544021-24, 2540989
Fax : 2540066

Bahadurabad Branch

Prime Arcade, Shop No. 1-3,
Bahadur Shah Zafar Road, Bahadurabad.
Phone : (021) 4129677-81, 4128578-81
Fax : 4129676

Timber Market Branch

Ground Floor, Sur. No. 15, Siddique Wahab Road,
Lawrence Quarters.
Phone : (021) 2750635-9 Fax : 2750632

Defence Housing Authority Branch

Plot No.40 & 42 C, 26th Commercial St. Phase V,
Defence Housing Authority.
Phone : (021) 5304145-49 Fax : 5304157

PECHS Branch

Shop No. 3, 154-S, Block-2, P.E.C.H.S.
Phone : (021) 4535861-2, 4538423-24
Fax : 4314221

Federal 'B' Area Branch

C-28, Block - 13, Federal 'B' Area.
Phone : (021) 6803041, 6344700,5&6
Fax : 6803043

Eidgah Branch

45/1/2, Wadhmal Udharam Quarters,
Near Light House, M.A. Jinnah Road.
Phone : (021) 2217290-4 Fax : 2217244

Marriot Road Branch

Karachi Survey # 67, Sheet # M.R.1,
Murad Khan Road, Marriot Road.
Phone : (021) 2414138-40 & 2412080
Fax : 2412082

Hyderi (North Nazimabad) Branch

Plot # ST-4, Al-Burhan Circle Hyderi, Block 'E',
North Nazimabad.
Phone : (021) 6626066, 6626004
Fax : 6625402



BRANCH NETWORK

Gulistan-e-Jauhar Branch

30-31, Saima Classic Rashid Minhas Road.
Phone : (021) 4815926-27, 4815930
Fax : 4815924

Tipu Sultan Road Branch

Z-111-112, Adamjee Nagar, Tipu Sultan Road.
Phone : (021) 4398457-9 Fax : 4398456

DHA Phase-I Branch

114, 9th East Street, Phase-I,
Defence Housing Authority, Main Korangi Road.
Phone : (021) 5887571-73 Fax : 5887574

Hawksbay Road Branch

KB-28, Haji Ishaq Market, Main Hawksbay Road,
Opp. Quaid-e-Azam New Truck Stand
Phone : (021) 2355871, 2355872 Fax : 2355873

Shershah Branch

D-283, Main Shershah Road, S.I.T.E.
Phone : (021) 2585001-4 Fax : 2585005

Malir Cantt. Branch

Old Malir Cantonment Library,
Cantt Bazar, Malir Cantt.
Phone : (021) 4904601 Fax : 4904602

Tariq Road Branch

124/A, Block 2, P.E.C.H.S. Main Tariq Road
Phone : (021) 4386052-5 Fax : 4386056

Landhi Branch

Area 5-D, Sector 36-E, Landhi Township
Phone : (021) 5034451-3 Fax : 5030875

Gulshan Chowranghi Branch

Gulshan Chowranghi, Sani Arcade, Block-3,
Gulshan-e-Iqbal
Phone : (021) 4988695 Fax : 4985729

Garden East Branch

Silver Jubilee Apartment, 194/2/1, Britto Road,
Near Ismailia Jamat Khana, Garden East
Phone : (021) 2238704, 2238717, 2238722, 2238605
Fax : 2225941

HYDERABAD

Plot No.476/1 & 476/2,
adjacent to Hotel Faran, Saddar.
Phone : (0221) 786020-22, 784242 Fax : 786023

SUKKUR

B-2823/B-2851, Frere Road, Sarafa Bazar.
Phone : (071) 28173-75, 24753, 24750
Fax : 28176

NAWABSHAH

Municipal Office Chowk, Katchery Road
Phone : (0244)330721-28 Fax : 330729

QUETTA**M.A. Jinnah Road Branch**

Property No.2-12(1), M.A.Jinnah Road.
Phone : (081) 2841057, 2841180-83
Fax : 2827562

Hazar Gunji Branch

Plot No. 332, 333, 334, Truck Stand, Hazar Gunji.
Phone : (081) 2460520 Fax : 2460519

Cloth Market Branch

Cut Piece Cloth Market, Shahrah-e-Iqbal
Phone : (081) 4003849 Fax : 2821636

CHAMAN

Trunch Road,
Phone : (0826) 613440, 612541 Fax : 613488

GAWADAR

Gawadar Palace Motel, Airport Road.
Phone : (0864) 211796-98 Fax : 210185

MIRPURKHAS

Plot # 854/7, Adam Town, Main Mmerkot Road,
Phone : (02338) 74466, 74686 Fax : 75127

LARKANA

Bunder Road
Phone : (074) 4055712, 4055812, 4055360
Fax : 5053962

LAHORE**LDA Plaza Branch**

LDA Plaza, Kashmir Road.
Phone : (042)6306201-06 Fax : 6307836, 6368905

Gulberg Branch

125/E-I, Gulberg-III, Main Boulevard.
Phone : (042) 5877800-8 Fax : 5754900, 5877807

Defence Branch

G-9, Commercial Area, Phase-I, LCCHS.
Phone : (042) 5729772-6, 5729722-26
Fax : 5729727, 5733591

Circular Road Branch

A-43/A, Opp. Mazar Hazrat Shah Mohammad Ghous, Circular Road.
Phone : (042) 7638256-8 Fax : 7653384

Township Branch

47-B/1, Block 10, Akbar Chowk, Township.
Phone : (042) 5152833-6 Fax : 5113716



BRANCH NETWORK

Badami Bagh Branch

29-30 PECO Road, Badami Bagh.
Phone : (042) 7704961-66
Fax : 7728636, 7728074

Allama Iqbal Town Branch

36, College Block, Allama Iqbal Town.
Phone : (042) 5432961-5 Fax : 5432960

Shah Alam Market Branch

Hilal-e-Ahmar Health Complex, Shah Alam Market.
Phone : (042) 7673401-6 Fax : 7673409

Shadman Market Branch

Shop No. 2, Ground Floor,
Business Centre, Shadman Market.
Phone : (042) 7538116-20
Fax : 7538128

Tufail Road Branch

50/3, Tufail Road.
Phone : (042) 6689016-19 Fax : 6688374

Lahore Stock Exchange Branch

Basement Level - 2, Lahore Stock Exchange Building,
19, Khayaban-e-Iqbal.
Phone : (042) 6307461-69 Fax : 6307460

Baghbanpura Branch

G.T. Road, Baghbanpura.
Phone : (042) 6844002-09 Fax : 6844010

Ravi Road Branch

13 Ravi Road.
Phone : (042) 7708661-65 Fax : 7708660

Liberty Branch

10-C, Commercial Area, Liberty Market,
Gulberg-III.
Phone : (042) 5756288 & 5756355 Fax : 5755226

Raiwind Road Branch

Thoker Niaz Beg, Raiwind Road.
Phone : (042) 5431802-05 Fax : 5431806

Shahdin Manzil Branch

Shahdin Manzil, Faysal Chowk, Mall Road.
Phone : (042) 6012000-30, 6300581, 6300586
Fax : 6300589

DHA Extension Branch

Divine Centre, Near Bhatta Chowk, New Airport Road, Lahore Cantt
Phone : (042) 5700301-309 Fax : 5700311

Azam Cloth Market Branch

Raheem Centre, Akbar Block, Azam Cloth Market
Phone : (042) 7665526, 7643851-55
Fax : 7643860

Shad Bagh Branch

37, Umer Din Road, Wassanpura
Phone : (042) 7616252-56 Fax : 6260295

Ferozpur Road Branch

18-KM Main Ferozpur Road
Phone : (042) 5807812-14 Fax : 5807811

Shahdara Branch

Main G.T. Road, Shahdara Chowk
Phone : (042) 7900290 Fax : 7900291

Walton Road Branch

E-28/A, Main Walton Road
Phone : (042) 6687390 Fax : 6687391

Urdu Bazar Branch

Main Kabir Street
Phone : (042) 7210644 Fax : 7210647

Brandreth Road Branch

91-A, Brandreth Road, Near Australia Building
Phone : (042) 7674115-18 Fax : 7671633

DHA Phase II Branch

65 CCA, Phase-II, DHA
Phone : (042) 5748846-47 Fax : 5748849

Ghari Shahu Branch

99-A, Allama Iqbal Road, Ghari Shahu
Phone : (042) 6360973 Fax : 6360962

ISLAMABAD**Blue Area Branch**

1-B, Awan Arcade, Jinnah Avenue, Blue Area.
Phone : (051) 2206986-7
Fax : 2279897, 2274766

I-10 Markaz Branch

4-A, I-10 Markaz
Phone : (051) 4435804-6 Fax : 4435807

F-7 Markaz Branch

5-A, Markaz F-7
Phone : (051) 2653959-63 Fax : 2653964

Stock Exchange Branch

101-W, Waqas Plaza, Blue Area
Phone : (051) 2804102-104 Fax : 2804106

F-10 Markaz Branch

4-D, Urfi Centre
Phone : (051) 2809703 Fax : 2809700

I-8 Markaz Branch

Plot No. 34, I-8 Markaz
Phone : (051) 4862563-6 Fax : 4862567



BRANCH NETWORK

RAWALPINDI

The Mall Branch

8, The Mall
Phone : (051) 5566084-6 Fax : 5584213, 5567462

Satellite Town Branch

B/20, North Star Plaza, Satellite Town, Murree Road.
Phone : (051) 4424080-6 Fax : 4424087

Jinnah Road Branch

A-351, Jinnah Road (Old City Saddar Road).
Phone : (051) 5775325-8 Fax : 5775324

Lalazar Branch

Tulsa Road, Lalazar
Phone : (051) 3007067-68 Fax : 5568977

Chaklala Branch

59, Shah Plaza, Commercial Area,
Chaklala Scheme III
Phone : (051) 5766003-4 Fax : 5766005

College Road Branch

E/20-26, College Road
Phone : 051-5762008, 5762010 Fax : 5762007

Peshawar Road Branch

Plot No. 400/2, Gammon House, Peshawar Road
Phone : (051) 5468401-2 Fax : 5468403

WAH CANTT

4-1/100, Officers Colony, The Mall.
Phone : (0514) 539426-28 Fax : 511980

FAISALABAD

Main Branch

Ground Floor, State Life Building, Liaqat Road.
Phone : (041) 617436-9 Fax : 617432, 640834

Peoples Colony Branch

237-B, Commercial Area, D-Ground,
Peoples Colony No. 1.
Phone : (041) 8722636-39
Fax : 8722184

Susan Road Branch

25-Z-101, Susan Road, Madina Town
Phone : (041) 8556673-75 Fax : 8556679

Rail Bazar Branch

Property No. P-81, Rail Bazar
Phone : (041) 2540801-2 Fax : 2540803

Yarn Market Branch

P-229, Tikka Gali No. 2,
Yarn Market, Montgomery Bazar
Phone : (041) 2621486 Fax : 2621487

Minerva Road Branch

Shops No. 16 & 17, Golden Market,
New Grain Market Menerva Road
Phone : (041) 2540763-5 Fax : 2540759

PESHAWAR

Peshawar Cantt. Branch

6/38/L-Islamia Road.
Phone : (0915) 5287051-7 Fax : 5287058

Peshawar City Branch

Park Inn Hotel Building,
Khyber Bazar, Peshawar City.
Phone : (0915) 2551794, 2590023-27
Fax : 2551380

Hayatabad Jamrud Road

Shop No. B-29 & 30, J.B. Plaza, Karkhano Market
Phone : (0915) 5822902-5 Fax : 5822908

G.T. Road Branch

1045-1046, Hashtnagri,
Opp: Sarhad Chamber of Commerce, G.T. Road
Phone : 091-2593003 Fax : 2593001

ATTOCK

Zila Council Plaza, Katchery Chowk
Phone : (057) 2701568, 2701557-58
UAN : 111-777-786 Fax : 2700248

HUNGU

Saif-ur-Rehman Market, Opp:
DCO Bungalow, Kohat Road, Main Bazar
Phone : (0925) 624641-43 Fax : 624644

MULTAN

Abdali Road Branch

62-A, Abdali Road.
Phone : (061) 4546792-6 Fax : 4570233, 4540970

Vehari Road Branch

618/B, Vehari Road.
Phone : (061) 6244492-95 Fax : 6244496

Hussain Agahi Branch

Hussain Agahi Road
Phone : (061) 4577242, 457725 Fax : 4577232

Chowk Shaeedan Branch

Akbar Road, Chowk Shaheedan
Phone : (061) 4579021-23, 4588807
Fax : 4579024



BRANCH NETWORK

SIALKOT

40/A, Paris Road.
Phone : (0432) 590098, 591741
Fax : 591742, 593210

RAHIM YAR KHAN

City Centre Complex, Shahi Road.
Phone : (068) 5879880-1, 5885970 Fax : 5879882

GUJRANWALA

B XII-7S-145, Krishan Nagar, G.T. Road.
Phone : (055) 3859931-3, 3847031-33
Fax : 3856471, 3255295

SAHIWAL

183-Sarwar Shaheed Road.
Phone : (040) 4467691-95 Fax : 4467696

SARGODHA

Block # 5, Liaquat Road,
Opp: Jamia Mosque Hamid Ali.
Phone : (0451) 724138-9 Fax : 724193

GUJRAT

15/231, Circular Road, Opp: Rampair Mahal
Phone : (053) 3530071-3530219 Fax : 3530319

MARDAN

C-929 to 932 & C-662, Ex-Arif Hotel Building,
Bank Road.
Phone : (0931) 73631-3 Fax : 73733

BAHAWALPUR

Ground Floor, Bdg. No. V/912, Circular Road.
Phone : (062) 2889922-5 Fax : 889874

CHINIOT

1-A, Shahrach-e-Quaid-e-Azam
Phone : (047) 6000712 Fax : 6331322

DASKA

Gujranwala Road
Phone : (052) 6616834-35 Fax : 6619650

HAFIZABAD

BV-BS-26, Railway Road
Phone : (0547) 540801 Fax : 540804

CHICHAWATNI

1-Railway Road, Rai House,
Chichawatni District Sahiwal
Phone : (0405) 487802-6 Fax : 487807

ARIFWALA

47/D, Zain Palace, Qaboola Road
Phone : (0457) 835711-12-13 Fax : 835717

PAKPATTAN

Main College Road
Phone : (0457) 76020-22 Fax : 76024

DERA GHAZI KHAN

24-Block # 15, Liaquat Bazar.
Phone : (064) 2468201-6 Fax : 2468104

MINGORA, SWAT

Khasra No.95, Makan Bagh, Saidu Sharif Road,
Opposite PTCL Office.
Phone : (0946) 726745-6, 726740-4 Fax : 726747

JHELUM

Bungalow No.67, Kazam Kamal Road.
Phone : (0541) 610162, 610172, 610182
Fax : 610050

MIAN CHANNU

Ghazi Morr, G.T. Road.
Phone : (065) 2665301-4 Fax : 2665383

SHEIKHUPURA

Main Lahore-Sargodha Road.
Phone : (056) 3767970-4 Fax : 3614976

DERA ISMAIL KHAN

Plot # 3666-B, Kashmir Chowk, North Circular Road,
Phone : (0961) 720606-10 Fax : 720612

OKARA

Plot No. 14, Sahiwal Road.
Phone : (0442) 550418-22 Fax : 550423

ABBOTTABAD

191, Supply Bazar, Main Mansehra Road.
Phone : (0992) 344723-6 Fax : 344728



BRANCH NETWORK

JHANG

9-D, Yousuf Shah Road, Jhang Saddar.
Phone : (0471) 624701-3 Fax : 624704

TOBA TEK SINGH

105-Farooq Road, Mohallah Jamia Masjid.
Phone : (0462) 517837-9 Fax : 517841

BUREWALA

95-C, Al-Aziz Market, College Road.
Phone : (067) 3771901-4 Fax : 3771905

KOHAT

Bannur Road, Kohat Cantt.
Phone : (0922) 522791-7 Fax : 522798

SADIQABAD

28-29 D, Allama Iqbal Road.
Phone : (068) 5802501-4 Fax : 5802704

MANDI BAHAUDDIN

17/207 Alvi Plaza,
Alvi Hospital Chowk, Phalia Road.
Phone : (0546) 520921-23 Fax : 507886

LALA MUSA

G.T. Road.
Phone : (053) 7518068, 7518368,
7518370, 7518780
Fax : 7518070

AHMEDPUR EAST BRANCH

Plot # 188, Block XI, Kutchery Road
Phone : (062) 2275504-8 Fax : 2275503

DAHARKI

1285 - 1287, Zafar Bazar
Phone : (0723) 641255, 641355, 641217
Fax : 644040

GHOTKI

1-13, Station Road
Phone : (0723) 684404, 684483, 684432
Fax : 684296

HARONABAD

15-C/16-C, Ghalla Mandi
Phone : (063) 2256457 Fax : 2256458

HASILPUR

37-C, Committee Bazar
Phone : (062) 2448078, 2448090, 2448075
Fax : 2441071

KHARIAN

1, Rizwan Plaza, Main G.T. Road
Phone : (053) 7536241-43 Fax : 7536245

GILGIT

Shahrah-e-Quaid-e-Azam,
Near Radio Station, Jutial
Phone : (05811) 51904-07 Fax : 51903

CHAKWAL

City Trade Centre, Tehsil Chowk, Rawalpindi Raod
Phone : (0543) 555206-218 Fax : 555220

BHALWAL

Liaqat Shaheed Road,
Phone : (048) 6643709-6644863 Fax : 6624647

KASUR

Shop No. 8-12,
Adjacent to Mazar Hazrat Baba Bulley Shah,
Rail Road
Phone : (0492) 765218-9 Fax : 770890

MANSEHRA

Punjab Chowk, Shahrah-e-Resham
Phone : (0997) 303591, 303592 Fax : 300597

BANNU

Gowshala Road, Fatima Khel
Phone : (0926) 614633-36 Fax : 614099

CHITRAL

D.C. Office Road, Opposite Mountain Inn Hotel, Attalique Bazar
Phone : (0943) 414396, 414367 Fax : 412988

HAZRO

273-M, Main Hattian Road
Phone : (057) 2313771-2 Fax : 2313773

KOTLA

Bhimber Road, Kotla Arab Ali Khan, Tehsil Kharian, Distt. Gujrat
Phone : (0537) 586892, 586915, 586435 Fax : 586337



BRANCH NETWORK

MIRPUR, AZAD JAMMU & KASHMIR

114, Sector F-1, Kotli Road, Mirpur, Azad Jammu & Kashmir
Phone : (058610) 36834-7 Fax : 36838

ISLAMIC BANKING BRANCHES**Uni-Tower, Karachi**

213 - Uni-Towers, I.I.Chundrigar Road.
Phone : (021) 2472295-8 Fax : 2472141

Shahrah-e-Faisal, Karachi

Faiyaz Centre, Shahrah-e-Faisal.
Phone : (021) 4313580, 4315271-4
Fax : 4313581

Main Branch, Lahore

66-Main Boulevard, Gulberg.
Phone : (042) 5715241-5 Fax : 5715249

McLeod Road, Lahore

Abid Plaza, 13, McLeod Road.
Phone : (042) 7211631-5 Fax : 7211640

New Garden Town, Lahore

Awami Complex Block # 1, New Garden Town.
Phone : (042) 5846374-85 Fax : 5846386

Y Block, Lahore

93-Y, Commercial Area, Phase III,
Defence Housing Authority.
Phone : (042) 5746191-5 Fax : 5746190

Johar Town, Lahore

69-R-I, M.A. Johar Town.
Phone : (042) 5313401-05 Fax : 5313406

Jinnah Avenue, Islamabad

8-E, REDCO Plaza, Jinnah Avenue, Blue Area.
Phone : (051) 2879580-4 Fax : 2879589

Cantt. Rawalpindi

125-D, Murree Road.
Phone : (051) 5795184-88 Fax : 5795189

Kutchery Bazar Faisalabad

P-36, Kutchery Bazar.
Phone : (041) 603021-5 Fax : 603028

Medical College Road, Faisalabad

1-Ramana, Opp: Punjab Medical College, Jail Road.
Phone : (041) 8581602-04 Fax : 8581582

Gujranwala

Faisal Arcade G.T. Road.
Phone : (055) 4557301-05 Fax : 4557310

Multan

2, Bosan Road.
Phone : (061) 750941-5 Fax : 750885

Peshawar

Jamrud Road.
Phone : (0915) 5701385-89 Fax : 5701392

Sialkot

Ali Building, Khadim Ali Road.
Phone : (052) 3241302-5 Fax : 3241306

OVERSEAS BRANCH**BANGLA DESH****DHAKA****Dhaka Branch**

5-Rajuk Avenue, Motijheel C.A.
Phone : (008802) 7168821-05 Fax : 9557413

Gulshan Branch

168, Gulshan Avenue,
Gulshan North, Dhaka 1212, Bangladesh
Phone : 0088 20 8861848, 8861704
Fax : 8850714

CHITTAGONG**Agrabad Branch**

57, Agrabad, Chittagong, Bangla Desh

AFGHANISTAN**KABUL****Kabul Branch**

410, Chahrahi-e-Sadarat, Shah-e-Nau
Phone : (009375) 2004105-10 Fax : 2002142

HERAT**Herat Branch**

Ground Floor, Chamber of Commerce & Industries,
Heart Blood Bank Street
Phone : (0093-40) 230705-07 Fax : 230704

