



**BANK ALFALAH**

**Half Yearly Report 2008**

## Contents

	Page No.
Corporate Information	2
Directors' Review	4
Independent Auditors' Report on Review of Condensed Interim Financial Information to the Members	5
Condensed Interim Balance Sheet	6
Condensed Interim Profit And Loss Account (un-audited)	7
Condensed Interim Cash Flow Statement (un-audited)	8
Condensed Interim Statement Of Changes In Equity (un-audited)	9
Notes To The Condensed Interim Financial Statements (un-audited)	10
Consolidated Condensed Interim Balance Sheet	21
Consolidated Condensed Interim Profit And Loss Account (un-audited)	22
Consolidated Condensed Interim Cash Flow Statement (un-audited)	23
Consolidated Condensed Interim Statement Of Changes In Equity (un-audited)	24
Notes To The Consolidated Condensed Interim Financial Statements (un-audited)	25
Branch Network	34

## 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. Nadeem Iqbal Sheikh	Director
Mr. Sirajuddin Aziz	Chief Executive Officer

### Board Advisory Committee

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

### Board Credit And Finance Committee

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

### Board Risk Management Committee

Mr. Khalid Mana Saeed Al Otaiba	Director
Mr. Abdullah Khalil Al Mutawa	Director
Mr. Ganpat Singhvi	Member
Mr. Bashir A. Tahir	Member
Mr. Haroon Khalid	Secretary

## Corporate Information

### Central Management Committee

Mr. Sirajuddin Aziz	Chairman
Mr. Parvez A. Shahid	Co-Chairman
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
Mr. Ashfaq A. Qureshi	Secretary

### Company Secretary

Mr. Hamid Ashraf

### Chief Financial Officer

Mr. Zahid Ali H. Jamall

### Auditors

A. F. Ferguson & Co.  
Chartered Accountants

### Registered / Head Office

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

### Website

[www.bankalfalah.com](http://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, 2008.

	Six Months period ended June 2008	Six Months period ended June 2007
(Rupees in '000)		
<b>Profit before provisions and Taxation</b>	<b>3,286,620</b>	2,429,884
Provisions	(498,464)	(614,155)
Profit before Taxation	2,788,156	1,815,729
Taxation	(969,193)	(585,268)
<b>Profit After Taxation</b>	<b>1,818,963</b>	1,230,461
Earnings per share	Rs. 2.28	Rs. 1.54

During the half-year ended June 30, 2008 the Bank's profit before provision and taxation stood at Rs. 3,286.620 million as compared to Rs. 2,429.884 million for the previous comparable period, registering an increase of 35.26%.

Your Bank has maintained the general provisions against the consumer portfolio in compliance with the current prudential regulations on consumer banking.

We continue to strengthen our presence in the market place and as of June 30, 2008, we are operating through 231 branches that include 32 Islamic Banking branches and seven foreign branches in Bangladesh and Afghanistan and one offshore banking unit in Bahrain. Our plan is to add more branches to the network during the year 2008.

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.

### SIRAJUDDIN AZIZ

Director & Chief Executive Officer

Date: August 31, 2008

Place: Abu Dhabi

## Independent Auditors' Report On Review Of Condensed Interim Financial Information To The Members

### Introduction

We have reviewed the accompanying condensed interim balance sheet of Bank Alfalah Limited as at June 30, 2008 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended June 30, 2008 and 2007 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2008. The financial statements of the bank for the year ended December 31, 2007 and half year ended June 30, 2007 were audited and reviewed respectively by another auditor whose reports dated February 24, 2008 and August 23, 2007, expressed unqualified opinions on those statements. The condensed interim financial information incorporate the returns received from overseas branches which have not been reviewed.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended June 30, 2008 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

A. F. Ferguson & Co.  
Chartered Accountants  
Karachi  
Date : August 31, 2008

## Condensed Interim Balance Sheet

As at June 30, 2008

		June 30, 2008	December 31, 2007
		(Un-audited)	(Audited)
	Note	(Rupees in '000)	
<b>ASSETS</b>			
Cash and balances with treasury banks		36,261,367	29,436,378
Balances with other banks		16,828,191	18,380,738
Lendings to financial institutions		7,360,701	3,452,059
Investments	7	71,633,976	88,491,564
Advances	8	180,062,597	171,198,992
Operating fixed assets		12,983,081	11,922,324
Deferred tax assets - net		-	-
Other assets		6,551,186	6,013,097
		<b>331,681,099</b>	<b>328,895,152</b>
<b>LIABILITIES</b>			
Bills payable		3,564,872	4,138,243
Borrowings from financial institutions		8,378,888	21,230,697
Deposits and other accounts		287,771,009	273,173,841
Sub-ordinated loans		2,896,013	3,220,858
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities - net		1,268,429	1,379,809
Other liabilities		10,634,357	9,531,860
		<b>314,513,568</b>	<b>312,675,308</b>
<b>NET ASSETS</b>		<b>17,167,531</b>	<b>16,219,844</b>
<b>REPRESENTED BY</b>			
Share capital		7,995,000	6,500,000
Reserves		2,950,541	2,414,833
Unappropriated profit		3,849,303	4,851,840
		<b>14,794,844</b>	<b>13,766,673</b>
Surplus on revaluation of assets - net of tax		2,372,687	2,453,171
		<b>17,167,531</b>	<b>16,219,844</b>

### CONTINGENCIES AND COMMITMENTS

9

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 quarter and half year ended June 30, 2008

	Quarter ended June 30, 2008	Half year ended June 30, 2008	Quarter ended June 30, 2007	Half year ended June 30, 2007
	(Rupees in '000)		(Rupees in '000)	
<i>Note</i>				
Mark-up / return / interest earned	6,979,084	13,761,577	6,229,642	12,028,446
Mark-up / return / interest expensed	(4,318,391)	(8,447,955)	(4,100,119)	(7,921,679)
Net mark-up / return / interest income	2,660,693	5,313,622	2,129,523	4,106,767
Provision against non-performing loans and advances - net	(364,098)	(498,464)	(390,947)	(614,155)
Provision for diminution in value of investments	(3,926)	(3,926)	-	-
Bad debts written-off directly	(6,981)	(10,440)	(1,033)	(1,636)
	(375,005)	(512,830)	(391,980)	(615,791)
Net mark-up / return / interest income after provisions	2,285,688	4,800,792	1,737,543	3,490,976
<b>Non mark-up / interest income</b>				
Fee, commission and brokerage income	666,294	1,325,312	620,421	1,161,399
Dividend income	98,175	116,824	11,176	13,743
Income from dealing in foreign currencies	309,803	452,465	120,169	215,124
Gain on sale of securities	339,551	436,851	57,849	197,072
Unrealized (loss) / gain on revaluation of investments classified as held for trading	(78,580)	(53,475)	5,306	7,712
Other income	324,136	621,322	278,158	499,719
Total non-mark-up / interest income	1,659,379	2,899,299	1,093,079	2,094,769
	3,945,067	7,700,091	2,830,622	5,585,745
<b>Non mark-up / interest expenses</b>				
Administrative expenses	2,584,306	4,844,922	1,981,777	3,769,765
Provision against off-balance sheet obligations	1,511	2,784	-	-
Other charges	64,078	64,229	210	251
Total non-mark-up / interest expenses	2,649,895	4,911,935	1,981,987	3,770,016
	1,295,172	2,788,156	848,635	1,815,729
Extra ordinary / unusual items	-	-	-	-
<b>Profit before taxation</b>	1,295,172	2,788,156	848,635	1,815,729
<b>Taxation</b>				
- Current	846,554	1,057,580	351,392	443,515
- Prior years	-	-	-	-
- Deferred	(372,627)	(88,387)	(71,684)	141,753
	473,927	969,193	279,708	585,268
<b>Profit after taxation</b>	821,245	1,818,963	568,927	1,230,461
			(Rupees)	(Rupees)
<b>Basic / diluted earnings per share</b>	1.03	2.28	0.71	1.54

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 half year ended June 30, 2008

	Half year ended June 30, 2008	Half year ended June 30, 2007
(Rupees in '000)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,788,156	1,815,729
Less: Dividend income	(116,824)	(13,743)
	2,671,332	1,801,986
<b>Adjustments for non-cash charges:</b>		
Depreciation	579,078	434,943
Amortisation	21,833	10,593
Provision against loans and advances - net	498,464	614,155
Unrealized loss / (gain) on revaluation of investments classified as held for trading	53,475	(7,712)
Bad debts written-off directly	10,440	1,636
Provision for diminution in value of investment	3,926	-
(Gain) on sale of operating fixed assets	(26,374)	(9,850)
Provision against off-balance sheet obligations	2,784	-
Provision for gratuity	70,154	41,606
	1,213,780	1,085,371
	3,885,112	2,887,357
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(589,545)	(5,095,585)
Held-for-trading securities	81,430	141,028
Advances - net	(9,372,509)	(6,452,382)
Other assets - net of provision against other assets	(536,147)	(567,430)
	(10,416,771)	(11,974,369)
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(573,371)	562,509
Borrowings from financial institutions	(12,851,809)	(317,290)
Deposits and other accounts	14,597,168	31,146,430
Other liabilities	351,805	1,215,144
	1,523,793	32,606,793
	(5,007,866)	23,519,781
	(379,826)	195,083
Income tax (paid) / refund	(379,826)	195,083
Net cash flows (used in) / generated from operating activities	(5,387,692)	23,714,864
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	16,918,885	(12,443,439)
Net investments in held-to-maturity securities	(291,312)	(5,857,435)
Investments in associated companies	-	(1,417,742)
Dividend income received	114,882	6,946
Investment in operating fixed assets	(1,713,833)	(858,055)
Proceeds from sale of operating fixed assets	78,539	20,281
Net cash flows generated from / (used in) investing activities	15,107,161	(20,549,444)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Redemption of sub-ordinated loans	(324,845)	(624)
Dividend paid	(975,000)	-
Net cash flows (used in) financing activities	(1,299,845)	(624)
Exchange difference on translation on the net investment in foreign branches	171,915	(847)
<b>Increase in cash and cash equivalents</b>	8,591,539	3,163,949
Cash and cash equivalents at beginning of the period	48,814,698	43,181,100
Cash and cash equivalents at end of the period	57,406,237	46,345,049

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 half year ended June 30, 2008

	Share Capital	Capital Reserve			Unappropriated Profit	Total	
		Share Premium	Statutory Reserve	Reserve for issue of Bonus Shares			Exchange Translation Reserve
(Rupees in ' 000)							
<b>Balance as at January 1, 2007</b>	<b>5,000,000</b>	<b>1,000,000</b>	<b>1,701,729</b>	<b>-</b>	<b>47,804</b>	<b>2,823,072</b>	<b>10,572,605</b>
Changes in equity for the half year ended June 30, 2007							
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	12,292	12,292
Exchange differences on translation of net investment in foreign branches	-	-	-	-	(847)	-	(847)
Profit after taxation for the half year ended June 30, 2007	-	-	-	-	-	1,230,461	1,230,461
Total recognized income and expense for the period	-	-	-	-	(847)	1,242,753	1,241,906
Transfer to statutory reserve	-	-	246,092	-	-	(246,092)	-
Issue of bonus shares	1,500,000	(1,000,000)	-	-	-	(500,000)	-
<b>Balance as at June 30, 2007</b>	<b>6,500,000</b>	<b>-</b>	<b>1,947,821</b>	<b>-</b>	<b>46,957</b>	<b>3,319,733</b>	<b>11,814,511</b>
Changes in equity for the half year ended December 31, 2007							
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	12,293	12,293
Exchange differences on translation of net investment in foreign branches	-	-	-	-	40,101	-	40,101
Profit after taxation for the half year ended December 31, 2007	-	-	-	-	-	1,899,768	1,899,768
Total recognized income and expense for the period	-	-	-	-	40,101	1,912,061	1,952,162
Transfer to statutory reserve	-	-	379,954	-	-	(379,954)	-
<b>Balance as at December 31, 2007</b>	<b>6,500,000</b>	<b>-</b>	<b>2,327,775</b>	<b>-</b>	<b>87,058</b>	<b>4,851,840</b>	<b>13,766,673</b>
Changes in equity for the half year ended June 30, 2008							
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	12,293	12,293
Exchange differences on translation of net investment in foreign branches	-	-	-	-	171,915	-	171,915
Profit after taxation for the half year ended June 30, 2008	-	-	-	-	-	1,818,963	1,818,963
Total recognized income and expense for the period	-	-	-	-	171,915	1,831,256	2,003,171
Transfer to statutory reserve	-	-	363,793	-	-	(363,793)	-
Final cash dividend for the year ended December 31, 2007 declared subsequent to the year end at Rs. 1.5 per share	-	-	-	-	-	(975,000)	(975,000)
Issue of bonus shares	1,495,000	-	-	-	-	(1,495,000)	-
<b>Balance as at June 30, 2008</b>	<b>7,995,000</b>	<b>-</b>	<b>2,691,568</b>	<b>-</b>	<b>258,973</b>	<b>3,849,303</b>	<b>14,794,844</b>

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

Chief Executive Officer

Director

Director

Chairman

## Notes to and forming part of the Condensed Interim Financial Statements (un-audited)

For the half year ended June 30, 2008

### 1. STATUS AND NATURE OF BUSINESS

Bank Alfalah Limited (the Bank) is a banking company incorporated in Pakistan on June 21, 1992 as a public limited company under the Companies Ordinance, 1984. It commenced its banking operations on November 01, 1992. The Bank's registered office is at B.A. Building I.I. Chundrigar Road, Karachi and the Bank is listed on all three Stock Exchanges in Pakistan. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and is operating through 191 conventional banking branches (December 2007: 191), 7 overseas branches (December 2007: 7), 32 Islamic banking branches (December 2007: 32) and 1 off shore banking unit (December 2007: 1).

### 2. BASIS OF PRESENTATION

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

The financial results of the Islamic banking branches have been consolidated in these condensed interim financial statements for reporting purposes, after eliminating material inter branch transactions / balances. Key financial figures of the Islamic banking branches are disclosed in note 14 to these condensed interim financial statements.

### 3. STATEMENT OF COMPLIANCE

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

The Securities Exchange Commission of Pakistan (SECP) has approved and notified the adoption of International Accounting Standards 39 – Financial Instruments; Recognition and Measurement and International Accounting Standard 40 – Investment Property. The requirements of these Standards have not been considered in preparation of these condensed interim financial statements as the State Bank of Pakistan has deferred the applicability of these standards through BSD circulars No. 10 dated August 26, 2002, for Banking companies in Pakistan till further instructions. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.

In addition, Securities and Exchange Commission of Pakistan has notified the Islamic Financial Accounting Standards (IFAS) 1 – Murabaha and IFAS 2 - Ijara issued by the Institute of Chartered Accountants of Pakistan. IFAS 1 was effective for financial periods beginning on or after January 01, 2006 and IFAS 2 was effective for financial periods beginning on or after July 01, 2007. These Standards have not been adopted by the stand alone Islamic branches of the Bank pending the resolution of certain issues including invoicing of goods, recording of inventories, concurrent application with other accounting standards in place for conventional banks and disclosure requirements. Pakistan Banks Association and Modaraba Association of Pakistan have taken up the issue with the SBP and the SECP.

Notes to and forming part of the Condensed Interim Financial Statements (un-audited)

The disclosures made in these condensed interim financial statements have, however been limited based on the format prescribed by the State Bank of Pakistan through BSD Circular No. 2 dated May 12, 2004 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and these condensed interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2007.

4. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention except that certain fixed assets are stated at revalued amounts, trading and available for sale investments and derivative financial instrument are measured at fair value.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2007.

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis and methods used for critical accounting estimates and judgments adopted in these condensed interim financial statements are same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2007.

7. INVESTMENTS

	June 30, 2008 (Un-audited)			December 31, 2007 (Audited)		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
7.1 Investments by types	----- (Rupees in ‘000) -----					
<b>Held-for-trading securities</b>						
Fully paid up ordinary shares / units - Listed	469,502	-	469,502	550,932	-	550,932
<b>Available-for-sale securities</b>						
Market Treasury Bills	26,392,660	2,281,881	28,674,541	32,763,607	14,683,909	47,447,516
Pakistan Investment Bonds	384,623	132,674	517,297	375,592	58,791	434,383
Fully paid up ordinary shares / units - Listed	3,636,175	-	3,636,175	2,289,220	-	2,289,220
Fully paid up ordinary shares - Unlisted	129,821	-	129,821	129,821	-	129,821
Sukuk Bonds	100,000	-	100,000	-	-	-
Term Finance Certificates	1,398,026	-	1,398,026	1,073,805	-	1,073,805
	<b>32,041,305</b>	<b>2,414,555</b>	<b>34,455,860</b>	<b>36,632,045</b>	<b>14,742,700</b>	<b>51,374,745</b>
<b>Held-to-maturity securities</b>						
Government Bonds	85,341	-	85,341	85,341	-	85,341
Pakistan Investment Bonds	6,298,142	-	6,298,142	6,855,500	-	6,855,500
Market Treasury Bills	12,870,786	-	12,870,786	21,453,797	-	21,453,797
Overseas government securities	300,634	-	300,634	-	-	-
Term Finance Certificates and Bonds	9,347,021	-	9,347,021	1,413,401	-	1,413,401
Pakistan Dollar Bond	341,985	-	341,985	-	-	-
Credit Linked Note	341,985	-	341,985	-	-	-
Preference Shares	297,896	-	297,896	-	-	-
Sukuk Bonds	2,777,768	-	2,777,768	2,562,207	-	2,562,207
	<b>32,661,558</b>	<b>-</b>	<b>32,661,558</b>	<b>32,370,246</b>	<b>-</b>	<b>32,370,246</b>

Notes to and forming part of the Condensed Interim Financial Statements (un-audited)

<b>Associates</b>						
Warid Telecom (Private) Limited	2,679,578	-	2,679,578	2,679,578	-	2,679,578
Wateen Telecom (Private) Limited	417,474	-	417,474	417,474	-	417,474
Alfalah Insurance Limited	68,990	-	68,990	68,990	-	68,990
Alfalah GHP Value Fund	100,000	-	100,000	100,000	-	100,000
Alfalah GHP Income Multiplier Fund	550,000	-	550,000	550,000	-	550,000
Alfalah GHP Islamic Fund	250,000	-	250,000	250,000	-	250,000
Alfalah GHP Investment Management Limited	130,493	-	130,493	130,493	-	130,493
	4,196,535	-	4,196,535	4,196,535	-	4,196,535
<b>Subsidiary</b>						
Alfalah Securities (Private) Limited	76,000	-	76,000	76,000	-	76,000
<b>Investment at cost</b>	<b>69,444,900</b>	<b>2,414,555</b>	<b>71,859,455</b>	<b>73,825,758</b>	<b>14,742,700</b>	<b>88,568,458</b>
<b>Less: Provision for Diminution in value of Investments</b>	<b>(3,926)</b>	<b>-</b>	<b>(3,926)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investments (net of Provisions)</b>	<b>69,440,974</b>	<b>2,414,555</b>	<b>71,855,529</b>	<b>73,825,758</b>	<b>14,742,700</b>	<b>88,568,458</b>
(Deficit) on revaluation of held-for-trading securities	(75,005)	-	(75,005)	(21,530)	-	(21,530)
(Deficit) on revaluation of available-for-sale securities	(139,830)	(6,718)	(146,548)	(21,148)	(34,216)	(55,364)
<b>Total investments</b>	<b>69,226,139</b>	<b>2,407,837</b>	<b>71,633,976</b>	<b>73,783,080</b>	<b>14,708,484</b>	<b>88,491,564</b>

**8 ADVANCES**

Loans, cash credits, running finances, etc.

- In Pakistan
- Outside Pakistan

Net investment in finance lease / Ijara Financing

- In Pakistan
- Outside Pakistan

Bills discounted and purchased (excluding treasury bills)

- Payable in Pakistan
- Payable outside Pakistan

Specific provision against non-performing advances

General provision against performing advances

Note

	June 30, 2008 (Un-audited)	December 31, 2007 (Audited)
	(Rupees in '000)	
	154,753,485	145,107,469
	8,318,854	7,598,767
	163,072,339	152,706,236
	15,437,811	15,824,501
	-	-
	15,437,811	15,824,501
	1,475,501	1,579,472
	4,963,595	5,568,601
	6,439,096	7,148,073
	184,949,246	175,678,810
	(3,792,095)	(3,380,409)
	(1,094,554)	(1,099,409)
	180,062,597	171,198,992

Notes to and forming part of the Condensed Interim Financial Statements (un-audited)

8.1 Advances include Rs.5.669 billion (December 2007: Rs.4.705 billion) which have been placed under non-performing status as detailed below:

Category of classification	June 30, 2008 (Un-audited)								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	----- (Rupees in '000) -----								
Other Assets Especially									
Mentioned	173,052	-	173,052	-	-	-	-	-	-
Substandard	1,418,776	-	1,418,776	326,204	-	326,204	326,204	-	326,204
Doubtful	795,316	111,591	906,907	354,574	42,145	396,719	354,574	42,145	396,719
Loss	3,114,118	56,514	3,170,632	3,045,630	23,542	3,069,172	3,045,630	23,542	3,069,172
	<u>5,501,262</u>	<u>168,105</u>	<u>5,669,367</u>	<u>3,726,408</u>	<u>65,687</u>	<u>3,792,095</u>	<u>3,726,408</u>	<u>65,687</u>	<u>3,792,095</u>
	December 31, 2007 (Audited)								
Category of classification	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	----- (Rupees in '000) -----								
Other Assets Especially									
Mentioned	110,759	-	110,759	-	-	-	-	-	-
Substandard	1,026,754	36,255	1,063,009	243,543	1,813	245,356	243,543	1,813	245,356
Doubtful	593,233	-	593,233	282,801	-	282,801	282,801	-	282,801
Loss	2,885,788	52,296	2,938,084	2,830,217	22,035	2,852,252	2,830,217	22,035	2,852,252
	<u>4,616,534</u>	<u>88,551</u>	<u>4,705,085</u>	<u>3,356,561</u>	<u>23,848</u>	<u>3,380,409</u>	<u>3,356,561</u>	<u>23,848</u>	<u>3,380,409</u>

8.2 General provision against consumer loans includes provision maintained at an amount equal to 1.5% of the fully secured performing portfolio and 5% of the unsecured performing portfolio as required by the Prudential Regulations for consumer financing issued by the State Bank of Pakistan. In addition, the bank also maintains general provision against certain advances based on its internal estimates. General provision for overseas branches is maintained in accordance with the requirements of the monetary agencies and regulatory authorities of the respective countries in which the overseas branches operate.

Note

9 CONTINGENCIES AND COMMITMENTS

9.1 Direct credit substitutes

Contingent liability in respect of guarantees given favouring:

- Government
- Banking companies and other financial institutions
- Others

9.2 Transaction - related contingent liabilities

Contingent liability in respect of performance bonds, bid bonds, shipping guarantees, standby letters of credit, etc. given favouring:

- Government
- Banking companies and other financial institutions
- Others

	June 30, 2008 (Un-audited)	December 31, 2007 (Audited)
	(Rupees in '000)	
	<b>6,075,184</b>	1,292,972
	<b>203,786</b>	180,164
	<b>4,303,496</b>	2,413,750
	<u><b>10,582,466</b></u>	<u>3,886,886</u>
	<b>11,514,597</b>	13,045,987
	<b>659,973</b>	446,639
	<b>10,516,129</b>	11,627,301
	<u><b>22,690,699</b></u>	<u>25,119,927</u>

Notes to and forming part of the Condensed Interim Financial Statements (un-audited)

	June 30, 2008 (Un-audited)	December 31, 2007 (Audited)
Note	(Rupees in '000)	
<b>9.3 Trade - related contingent liabilities</b>		
Letters of credit	43,190,773	38,533,186
Acceptances	8,621,379	8,558,681
<b>9.4 Other contingencies</b>		
Claims against the Bank not acknowledged as debts	961,732	728,489
<b>9.5 Commitments in respect of forward lending</b>		
Commitments to extend credit	800,000	6,014,000
<b>9.6 Commitments in respect of forward exchange contracts</b>		
Purchase	12,752,786	11,653,723
Sale	14,262,655	12,625,977
<b>9.7 Commitments for the acquisition of operating fixed assets and intangibles</b>	740,775	492,230
<b>10 CASH AND CASH EQUIVALENTS</b>		
Cash and balances with treasury banks	36,261,367	29,436,378
Balances with other banks	16,828,191	18,380,738
Call lendings	4,316,679	997,582
	57,406,237	48,814,698
<b>11 TAXATION</b>		

The income tax assessments of the Bank have been finalised upto and including tax year 2007. Matters of disagreement exist between the Bank and tax authorities for various assessment years and are pending with the Commissioner of Income Tax (Appeals), Income Tax Appellate Tribunal (ITAT) and High Court of Sindh.

The issues mainly relate to addition of mark-up in suspense to income, taxability of profit on government securities, bad debts written off and disallowance relating to profit and loss expenses. However, adequate provision has been made in the financial statements in respect of these disallowances / additions to taxable income.

Notes to and forming part of the Condensed Interim Financial Statements (un-audited)

12 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity is as follows:-

	For the half year ended June 30, 2008 (Un-audited)			
	Trading & Sales	Retail Banking	Corporate / Commercial Banking	Total
	-----Rupees in '000-----			
Total income	4,085,207	3,837,297	8,738,372	16,660,876
Total expenses	(3,241,897)	(3,144,068)	(7,486,755)	(13,872,720)
Net income	843,310	693,229	1,251,617	2,788,156
Segment return on assets (ROA) (%)	8.62%	18.53%	11.05%	
Segment cost of funds (%)	6.82%	15.19%	8.86%	
	For the half year ended June 30, 2007 (Un-audited)			
	Trading & Sales	Retail Banking	Corporate / Commercial Banking	Total
	-----Rupees in '000-----			
Total income	3,281,381	3,645,540	7,196,294	14,123,215
Total expenses	(2,910,967)	(3,127,307)	(6,269,212)	(12,307,486)
Net income	370,414	518,233	927,082	1,815,729
Segment return on assets (ROA) (%)	7.71%	17.28%	10.25%	
Segment cost of funds (%)	6.95%	14.82%	8.44%	
	As at June 30, 2008 (Un-audited)			
	Trading & Sales	Retail Banking	Corporate / Commercial Banking	Total
	-----Rupees in '000-----			
Segment assets (gross of NPL provisions)	107,062,629	41,049,447	187,361,118	335,473,194
Segment non performing loans (NPL)	-	2,128,609	3,540,758	5,669,367
Segment provision required against NPL	-	1,624,725	2,167,370	3,792,095
Segment liabilities	3,376,434	40,500,770	270,636,364	314,513,568
	As at December 31, 2007 (Audited)			
	Trading & Sales	Retail Banking	Corporate / Commercial Banking	Total
	-----Rupees in '000-----			
Segment assets (gross of NPL provisions)	119,491,489	50,951,279	161,832,793	332,275,561
Segment non performing loans (NPL)	-	1,708,428	2,996,657	4,705,085
Segment provision required against NPL	-	1,251,200	2,129,209	3,380,409
Segment liabilities	18,750,329	66,094,010	227,830,969	312,675,308

13 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 includes 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.



Notes to and forming part of the Condensed Interim Financial Statements (un-audited)

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

Details of amounts outstanding as at period / year end are as follows:

	June 30, 2008 (Un-audited)						
	Directors	Key Management Personnel	Group Companies	Associates	Subsidiaries	Others	Total
	(Rupees in '000)						
<b>Deposits</b>							
Balance at the beginning of the period	2,129	111,269	155,582	9,702,460	7,763	18	9,979,221
Placements during the period	168,765	216,931	1,847,080	51,331,734	576,136	-	54,140,646
Withdrawals / adjustments during the period	(90,279)	(248,922)	(1,872,937)	(56,889,884)	(582,025)	-	(59,684,047)
Balance at the end of the period	<u>80,615</u>	<u>79,278</u>	<u>129,725</u>	<u>4,144,310</u>	<u>1,874</u>	<u>18</u>	<u>4,435,820</u>
<b>Financing</b>							
Balance at the beginning of the period	-	145,835	-	12,018	171,342	-	329,195
Disbursements during the period	10,000	52,151	-	7,895,270	20,102,761	-	28,060,182
Repayments / adjustments during the period	(268)	(84,246)	-	(4,076,777)	(20,087,711)	-	(24,249,002)
Balance at the end of the period	<u>9,732</u>	<u>113,740</u>	<u>-</u>	<u>3,830,511</u>	<u>186,392</u>	<u>-</u>	<u>4,140,375</u>
<b>Investments</b>							
Balance at the beginning of the period	-	-	305,000	4,196,535	76,000	120,000	4,697,535
Investment during the period	-	-	214,558	-	-	-	214,558
Withdrawals during the period	-	-	(249,761)	-	-	-	(249,761)
Balance at the end of the period	<u>-</u>	<u>-</u>	<u>269,797</u>	<u>4,196,535</u>	<u>76,000</u>	<u>120,000</u>	<u>4,662,332</u>
<b>Call Borrowings / Repo</b>							
Balance at the beginning of the period	-	-	-	-	-	-	-
Placements during the period	-	-	22,015,130	-	-	-	22,015,130
Withdrawals during the period	-	-	(22,015,130)	-	-	-	(22,015,130)
Balance at the end of the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Call Lendings / Reverse repo</b>							
Balance at the beginning of the period	-	-	-	-	-	-	-
Placements during the period	-	-	22,635,412	-	-	-	22,635,412
Withdrawals during the period	-	-	(22,335,412)	-	-	-	(22,335,412)
Balance at the end of the period	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
Receivable against trade of marketable securities	-	-	-	-	219	-	219
Receivable against others	-	-	-	-	1,568	-	1,568
Security deposit	-	-	-	-	652	-	652

Notes to and forming part of the Condensed Interim Financial Statements (un-audited)

December 31, 2007 (Audited)							
Directors	Key Management Personnel	Group Companies	Associates	Subsidiaries	Others	Total	
(Rupees in ' 000)							
<b>Deposits</b>							
Balance at the beginning of the year	3,905	20,467	16,095	1,047,226	7,142	6	1,094,841
Adjustments	-	-	-	5,750	(5,750)	-	-
Placements during the year	58,035	574,163	2,106,653	144,806,723	535,929	15	148,081,518
Withdrawals during the year	(59,811)	(483,361)	(1,967,166)	(136,157,239)	(529,558)	(3)	(139,197,138)
Balance at end of the year	<u>2,129</u>	<u>111,269</u>	<u>155,582</u>	<u>9,702,460</u>	<u>7,763</u>	<u>18</u>	<u>9,979,221</u>
<b>Financing</b>							
Balance at the beginning of the year	-	59,043	-	3,100,908	97,121	183,333	3,440,405
Adjustments	-	-	-	5,444	(5,444)	-	-
Disbursements during the year	-	269,968	-	-	38,802,460	-	39,072,428
Repayments during the year	-	(183,176)	-	(3,094,334)	(38,722,795)	(183,333)	(42,183,638)
Balance at end of the year	<u>-</u>	<u>145,835</u>	<u>-</u>	<u>12,018</u>	<u>171,342</u>	<u>-</u>	<u>329,195</u>
<b>Investments</b>							
Balance at the beginning of the year	-	-	349,580	2,586,464	132,000	120,000	3,188,044
Adjustments	-	-	-	56,000	(56,000)	-	-
Investment during the year	-	-	49,173	2,042,236	-	-	2,091,409
Withdrawals during the year	-	-	(93,753)	(488,165)	-	-	(581,918)
Balance at end of the year	<u>-</u>	<u>-</u>	<u>305,000</u>	<u>4,196,535</u>	<u>76,000</u>	<u>120,000</u>	<u>4,697,535</u>
<b>Call borrowings / Repo</b>							
Balance at the beginning of the year	-	-	-	-	-	-	-
Placements during the year	-	-	30,036,692	-	-	-	30,036,692
Withdrawals during the year	-	-	(30,036,692)	-	-	-	(30,036,692)
Balance at end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Call lendings / Reverse Repo</b>							
Balance at the beginning of the year	-	-	920,644	-	-	-	920,644
Placements during the year	-	-	43,298,686	-	-	-	43,298,686
Withdrawals during the year	-	-	(44,219,330)	-	-	-	(44,219,330)
Balance at end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Guarantees issued</b>							
	-	-	-	-	6,200	-	6,200
<b>Receivable against trade of marketable securities</b>							
	-	-	-	-	4	-	4
<b>Receivable against others</b>							
	-	-	-	-	90	-	90
<b>Security deposit</b>							
	-	-	-	-	862	-	862

## Notes to and forming part of the Condensed Interim Financial Statements (un-audited)

	Half year ended June 30, 2008 (Un-audited)	Half year ended June 30, 2007 (Un-audited)
	(Rupees in '000)	
<b>Details of transactions with related parties during the period are given below:</b>		
<b>With subsidiary company</b>		
Brokerage expense	1,298	1,074
Mark-up income	4,066	6,360
Mark-up expense	-	891
Rent income	1,586	2,564
Finance lease income	197	689
Lease rentals	971	1,871
Bank charges recovered	95	95
<b>With associated companies</b>		
Insurance premium paid to Alfalah Insurance Limited	93,567	45,750
Mark-up income on advances to Warid Telecom	364	176,101
Mark-up income on advances to Wateen Telecom	8,862	-
Commission income on letters of credit and guarantees	-	133
<b>With other related parties</b>		
Capital gain on sale of shares	5,534	21,516
Contribution to employees provident fund	73,637	53,195
<b>The key management personnel / directors compensation are as follows:</b>		
Salaries and benefits	232,202	133,606

In addition the Chief Executive Officer and other executive officers are provided with the Bank maintained cars.

## Notes to and forming part of the Condensed Interim Financial Statements (un-audited)

## 14 ISLAMIC BANKING BUSINESS

The bank is operating 32 Islamic banking branches as at June 30, 2008 (December 31, 2007 : 32 branches).

	June 30, 2008 (Un-audited)	December 31, 2007 (Audited)
(Rupees in '000)		
<b>ASSETS</b>		
Cash and balances with treasury banks	3,621,988	2,804,104
Balances with other banks	2,794,095	3,326,484
Lending to financial institutions	-	-
Investments	3,239,726	3,057,155
Advances	17,100,783	15,065,056
Operating fixed assets	1,444,528	1,343,387
Other assets	1,011,736	987,021
	<u>29,212,856</u>	<u>26,583,207</u>
<b>LIABILITIES</b>		
Bills payable	324,247	299,333
Borrowings from financial institutions	97,357	99,573
Deposits and other accounts	23,416,859	21,016,068
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Other liabilities	3,248,688	3,214,445
	<u>27,087,151</u>	<u>24,629,419</u>
<b>NET ASSETS</b>	<u>2,125,705</u>	<u>1,953,788</u>
<b>REPRESENTED BY</b>		
Funds provided by head office	1,200,000	1,200,000
Exchange equalization reserve	637	178
Unappropriated profit	462,416	288,973
	<u>1,663,053</u>	<u>1,489,151</u>
Surplus on revaluation of assets	462,652	464,637
	<u>2,125,705</u>	<u>1,953,788</u>

## 15 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on August 31, 2008 by the Board of Directors.

## 16 GENERAL

Corresponding information has been re-classified, re-arranged or additionally incorporated in these condensed interim financial statements, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period.

Chief Executive Officer

Director

Director

Chairman

Consolidated Financial Statements  
of  
Bank Alfalah Limited  
and  
Subsidiary Company  
for the half year ended  
June 30, 2008

## Consolidated Condensed Interim Balance Sheet

As at June 30, 2008

		June 30, 2008	31 December 2007
		(un-audited)	(Audited)
	<i>Note</i>	(Rupees in '000)	
<b>ASSETS</b>			
Cash and balances with treasury banks		36,261,367	29,436,378
Balances with other banks		16,835,735	18,388,124
Lendings to financial institutions		7,360,701	3,452,059
Investments	7	72,606,309	89,578,391
Advances	8	180,014,655	171,031,183
Operating fixed assets		13,027,374	11,955,258
Deferred tax assets - net		-	
Other assets		6,911,206	6,838,479
		<b>333,017,347</b>	<b>330,679,872</b>
<b>LIABILITIES</b>			
Bills payable		3,564,872	4,138,243
Borrowings from financial institutions		8,553,888	21,548,849
Deposits and other accounts		287,769,646	273,172,088
Sub-ordinated loans		2,896,013	3,220,858
Liabilities against assets subject to finance lease		15,942	11,303
Deferred tax liabilities - net		1,268,136	1,379,967
Other liabilities		10,714,934	9,794,410
		<b>314,783,431</b>	<b>313,265,718</b>
<b>NET ASSETS</b>		<b>18,233,916</b>	<b>17,414,154</b>
<b>REPRESENTED BY</b>			
Share capital		7,995,000	6,500,000
Reserves		2,950,541	2,414,833
Share in share premium of associate		1,615,473	1,615,473
Unappropriated profit		3,277,458	4,404,631
		<b>15,838,472</b>	<b>14,934,937</b>
Minority interest		22,757	26,046
		<b>15,861,229</b>	<b>14,960,983</b>
Surplus on revaluation of assets - net of tax		2,372,687	2,453,171
		<b>18,233,916</b>	<b>17,414,154</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Director

Chairman

**Consolidated Condensed Interim Profit and Loss Account (un-audited)**

For the quarter and half year ended June 30, 2008

	Quarter ended June 30, 2008	Half year ended June 30, 2008	Quarter ended June 30, 2007	Half year ended June 30, 2007
	(Rupees in '000)		(Rupees in '000)	
<i>Note</i>				
Mark-up / return / interest earned	6,985,862	13,786,828	6,239,196	12,041,310
Mark-up / return / interest expensed	(4,325,168)	(8,470,954)	(4,107,995)	(7,930,393)
Net mark-up / return / interest income	2,660,694	5,315,874	2,131,201	4,110,917
Provision against non-performing loans and advances - net	(364,098)	(498,464)	(390,947)	(614,155)
Provision for diminution in value of investments	(3,926)	(3,926)	-	-
Bad debts written-off directly	(6,981)	(10,440)	(1,033)	(1,636)
	(375,005)	(512,830)	(391,980)	(615,791)
Net mark-up / return / interest income after provisions	2,285,689	4,803,044	1,739,221	3,495,126
<b>Non mark-up / interest income</b>				
Fee, commission and brokerage income	698,224	1,395,124	660,476	1,225,331
Dividend income	85,111	103,760	11,176	13,774
Income from dealing in foreign currencies	309,803	452,465	120,169	215,124
Gain on sale of securities	339,549	437,282	57,996	197,560
Unrealized (loss) / gain on revaluation of investments classified as held for trading	(78,907)	(53,755)	5,811	8,286
Other income	323,509	619,888	278,210	498,587
Total non-mark-up / interest income	1,677,289	2,954,764	1,133,838	2,158,662
	3,962,978	7,757,808	2,873,059	5,653,788
<b>Non mark-up / interest expenses</b>				
Administrative expenses	2,622,667	4,920,683	2,020,824	3,836,794
Provision against off-balance sheet obligations	1,511	2,784	-	-
Other charges	64,078	64,229	210	251
Total non-mark-up / interest expenses	2,688,256	4,987,696	2,021,034	3,837,045
	1,274,722	2,770,112	852,025	1,816,743
Share of (loss) / profit of associates	(231,478)	(183,524)	309,622	261,360
Extra ordinary / unusual items	-	-	-	-
<b>Profit before taxation</b>	1,043,244	2,586,588	1,161,647	2,078,103
<b>Taxation</b>				
- Current	850,342	1,066,758	356,107	450,046
- Prior years	-	-	625	625
- Deferred	(373,078)	(88,838)	(71,684)	141,753
- Share of tax of associates	(116,251)	(82,370)	52,337	22,605
	361,013	895,550	337,385	615,029
<b>Profit after taxation</b>	682,231	1,691,038	824,262	1,463,074
<b>Profit and (loss) attributable to:</b>				
Equity holders of the parent	684,804	1,694,327	825,505	1,466,201
Minority Interests	(2,573)	(3,289)	(1,243)	(3,127)
	682,231	1,691,038	824,262	1,463,074
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Basic / diluted earnings per share	0.86	2.12	1.03	1.83

The annexed notes 1 to 15 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 half year ended June 30, 2008

	Half year ended June 30, 2008	Half year ended June 30, 2007
(Rupees in '000)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,586,588	2,078,103
Share of loss / (profit) of associate	183,524	(261,360)
Less: Dividend income	(103,760)	(13,774)
	<u>2,666,352</u>	<u>1,802,969</u>
<b>Adjustments for non-cash charges:</b>		
Depreciation	585,068	442,183
Amortisation	22,309	11,842
Provision against loans and advances - net	498,464	614,155
Unrealized loss / (gain) on revaluation of investments classified as held for trading	53,755	(8,286)
Bad debts written-off directly	10,440	1,636
Provision for diminution in value of investment	3,926	-
(Gain) on sale of operating fixed assets	(26,374)	(9,841)
Provision against off-balance sheet obligations	2,784	-
Provision for gratuity	70,154	41,606
	<u>1,220,526</u>	<u>1,093,295</u>
	<u>3,886,878</u>	<u>2,896,264</u>
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(589,545)	(5,095,585)
Held-for-trading securities	81,951	144,119
Advances - net	(9,492,376)	(6,269,441)
Other assets - net of provision against other assets	(71,313)	(1,278,829)
	<u>(10,071,283)</u>	<u>(12,499,736)</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(573,370)	562,509
Borrowings from financial institutions	(12,994,961)	24,465
Deposits and other accounts	14,597,557	31,169,127
Other liabilities	171,528	1,420,816
	<u>1,200,754</u>	<u>33,176,917</u>
	<u>(4,983,651)</u>	<u>23,573,445</u>
Income tax (paid) / refund	(390,700)	188,959
Net cash flows (used in) / generated from operating activities	<u>(5,374,351)</u>	<u>23,762,404</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	16,918,885	(12,443,439)
Net investments in held-to-maturity securities	(291,312)	(5,857,435)
Investments in associated companies	-	(1,437,742)
Proceeds for the issue of share capital of subsidiary company	-	12,800
Dividend income received	114,885	6,975
Investment in operating fixed assets	(1,693,613)	(901,852)
Proceeds from sale of operating fixed assets	40,494	20,323
Net cash flows generated from / (used in) investing activities	<u>15,089,339</u>	<u>(20,600,370)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against lease obligations	4,639	(624)
Redemption of sub-ordinated loans	(324,845)	5,927
Dividend paid	(975,000)	-
Net cash flows (used in) financing activities	<u>(1,295,206)</u>	<u>5,303</u>
Exchange difference on translation on the net investment in foreign branches	171,915	(847)
<b>Increase in cash and cash equivalents</b>	<u>8,591,697</u>	<u>3,166,490</u>
Cash and cash equivalents at beginning of the period	<u>48,822,084</u>	<u>43,184,755</u>
Cash and cash equivalents at end of the period	<u>57,413,781</u>	<u>46,351,245</u>

The annexed notes 1 to 15 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 quarter and half year ended June 30, 2008

	Share Capital	Capital Reserves				Share in Share Premium of associate	Unappropriated Profit	Minority Interest	Total
		Share Premium	Statutory Reserve	Reserve for issue of Bonus Shares	Exchange Translation Reserve				
(Rupees in '000)									
<b>Balance as at January 1, 2007</b>	<b>5,000,000</b>	<b>1,000,000</b>	<b>1,701,729</b>	<b>-</b>	<b>47,804</b>	<b>-</b>	<b>1,979,360</b>	<b>52,383</b>	<b>9,781,276</b>
Changes in equity for the half year ended June 30, 2007									
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	12,293	-	12,293
Exchange differences on translation of net investment in foreign branches	-	-	-	(847)	-	-	-	-	(847)
Profit after taxation for the half year ended June 30, 2007 attributable to the equityholders of the bank	-	-	-	-	-	-	1,466,201	-	1,466,201
Profit after taxation for the half year ended June 30, 2007 attributable to the minority shareholders	-	-	-	-	-	-	-	(3,127)	(3,127)
Total recognized income and expense for the period	-	-	-	(847)	-	-	1,478,494	(3,127)	1,474,520
Capital contribution by minority shareholders	-	-	-	-	-	-	-	12,800	12,800
Receivable against shares from minority	-	-	-	-	-	-	-	(12,800)	(12,800)
Transfer to statutory reserve	-	-	246,092	-	-	-	(246,092)	-	-
Issue of bonus shares	1,500,000	(1,000,000)	-	-	-	-	(500,000)	-	-
<b>Balance as at June 30, 2007</b>	<b>6,500,000</b>	<b>-</b>	<b>1,947,821</b>	<b>-</b>	<b>46,957</b>	<b>-</b>	<b>2,711,762</b>	<b>49,256</b>	<b>11,255,796</b>
Changes in equity for the half year ended December 31, 2007									
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	12,292	-	12,292
Exchange differences on translation of net investment in foreign branches	-	-	-	40,101	-	-	-	-	40,101
Profit after taxation for the half year ended December 31, 2007 attributable to the equityholders of the bank	-	-	-	-	-	-	2,039,496	-	2,039,496
Profit after taxation for the half year ended December 31, 2007 attributable to the minority shareholders	-	-	-	-	-	-	-	4,167	4,167
Total recognized income and expense for the period	-	-	-	40,101	-	-	2,051,788	4,167	2,096,056
Investment in associate	-	-	-	-	-	-	21,035	(27,377)	(6,342)
Share in equity of associate	-	-	-	-	-	1,615,473	-	-	1,615,473
Transfer to statutory reserve	-	-	379,954	-	-	-	(379,954)	-	-
<b>Balance as at December 31, 2007</b>	<b>6,500,000</b>	<b>-</b>	<b>2,327,775</b>	<b>-</b>	<b>87,058</b>	<b>1,615,473</b>	<b>4,404,631</b>	<b>26,046</b>	<b>14,960,983</b>
Changes in equity for the half year ended June 30, 2008									
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	12,293	-	12,293
Exchange differences on translation of net investment in foreign branches	-	-	-	171,915	-	-	-	-	171,915
Profit after taxation for the half year ended June 30, 2008 attributable to the equityholders of the bank	-	-	-	-	-	-	1,694,327	-	1,694,327
Profit after taxation for the half year ended June 30, 2008 attributable to the minority shareholders	-	-	-	-	-	-	-	(3,289)	(3,289)
Total recognized income and expense for the period	-	-	-	171,915	-	-	1,706,620	(3,289)	1,875,246
Transfer to statutory reserve	-	-	363,793	-	-	-	(363,793)	-	-
Final cash dividend for the year ended December 31, 2007 declared subsequent to the year end at Rs. 1.5 per share	-	-	-	-	-	-	(975,000)	-	(975,000)
Issue of bonus shares	1,495,000	-	-	-	-	-	(1,495,000)	-	-
<b>Balance as at June 30, 2008</b>	<b>7,995,000</b>	<b>-</b>	<b>2,691,568</b>	<b>-</b>	<b>258,973</b>	<b>1,615,473</b>	<b>3,277,458</b>	<b>22,757</b>	<b>15,861,229</b>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**Chief Executive Officer**

**Director**

**Director**

**Chairman**

## Notes to and forming part of the Consolidated Condensed Interim Financial Statements (un-audited) For the half year ended June 30, 2008

### 1. STATUS AND NATURE OF BUSINESS

Bank Alfalah Limited (the Bank) is a banking company incorporated in Pakistan on June 21, 1992 as a public limited company under the Companies Ordinance, 1984. It commenced its banking operations on November 01, 1992. The Bank's registered office is at B.A. Building I.I. Chundrigar Road, Karachi and the Bank is listed on all three Stock Exchanges in Pakistan. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and is operating through 191 conventional banking branches (December 2007: 191), 7 overseas branches (December 2007: 7), 32 Islamic banking branches (December 2007: 32) and 1 off shore banking unit (December 2007: 1).

The Group Comprises of the holding company (Bank) and a subsidiary Alfalah Securities (Private) Limited. The Principal objective of the Alfalah Securities (Private) Limited, is to undertake the business of brokerage house. The Company was incorporated on 23 September 2003 with registered office in Karachi, Pakistan. The Company obtained corporate membership from Karachi Stock Exchange (Guarantee) Limited on 24 November 2003. The Bank holds 76 percent (December 2007: 76) shares of the Company.

### 2. BASIS OF PRESENTATION

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

### 3. STATEMENT OF COMPLIANCE

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

The Securities Exchange Commission of Pakistan (SECP) has approved and notified the adoption of International Accounting Standards 39 – Financial Instruments; Recognition and Measurement and International Accounting Standard 40 – Investment Property. The requirements of these Standards have not been considered in preparation of these condensed interim financial statements as the State Bank of Pakistan has deferred the applicability of these standards through BSD circulars No. 10 dated August 26, 2002, for Banking companies in Pakistan till further instructions. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.

In addition, Securities and Exchange Commission of Pakistan has notified the Islamic Financial Accounting Standards (IFAS) 1 – Murabaha and IFAS 2 - Ijara issued by the Institute of Chartered Accountants of Pakistan. IFAS 1 was effective for financial periods beginning on or after January 01, 2006 and IFAS 2 was effective for financial periods beginning on or after July 01, 2007. These Standards have not been adopted by the stand alone Islamic branches of the Bank pending the resolution of certain issues including invoicing of goods, recording of inventories, concurrent application with other accounting standards in place for conventional banks and disclosure requirements. Pakistan Banks Association and Modaraba Association of Pakistan have taken up the issue with the SBP and the SECP.

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (un-audited)

The disclosures made in these consolidated condensed interim financial statements have, however been limited based on the format prescribed by the State Bank of Pakistan through BSD Circular No. 2 dated May 12, 2004 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and these condensed interim financial statements should be read in conjunction with the financial statements of the Group for the year ended December 31, 2007.

4. BASIS OF MEASUREMENT

These consolidated condensed interim financial statements have been prepared under the historical cost convention except that certain fixed assets are stated at revalued amounts, trading and available for sale investments and derivative financial instrument are measured at fair value.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual financial statements of the Group for the year ended December 31, 2007.

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis and methods used for critical accounting estimates and judgments adopted in these consolidated condensed interim financial statements are same as those applied in the preparation of the annual financial statements of the Group for the year ended December 31, 2007.

7. INVESTMENTS

	June 30, 2008 (Un-audited)			December 31, 2007 (Audited)		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
7.1 Investments by types	----- (Rupees in ‘000) -----					
<b>Held-for-trading securities</b>						
Fully paid up ordinary shares / units - Listed	470,550	-	470,550	552,501	-	552,501
<b>Available-for-sale securities</b>						
Market Treasury Bills	26,392,660	2,281,881	28,674,541	32,763,607	14,683,909	47,447,516
Pakistan Investment Bonds	384,623	132,674	517,297	375,592	58,791	434,383
Fully paid up ordinary shares / units - Listed	3,636,175	-	3,636,175	2,289,220	-	2,289,220
Fully paid up ordinary shares - Unlisted	129,821	-	129,821	129,821	-	129,821
Sukuk Bonds	100,000	-	100,000	-	-	-
Term Finance Certificates	1,398,026	-	1,398,026	1,073,805	-	1,073,805
	<b>32,041,305</b>	<b>2,414,555</b>	<b>34,455,860</b>	<b>36,632,045</b>	<b>14,742,700</b>	<b>51,374,745</b>
<b>Held-to-maturity securities</b>						
Government Bonds	85,341	-	85,341	85,341	-	85,341
Pakistan Investment Bonds	6,298,142	-	6,298,142	6,855,500	-	6,855,500
Market Treasury Bills	12,870,786	-	12,870,786	21,453,797	-	21,453,797
Overseas government securities	300,634	-	300,634	-	-	-
Term Finance Certificates and Bonds	9,347,021	-	9,347,021	1,413,401	-	1,413,401
Pakistan Dollar Bond	341,985	-	341,985	-	-	-
Credit Linked Note	341,985	-	341,985	-	-	-
Preference Shares	297,896	-	297,896	-	-	-
Sukuk Bonds	2,777,768	-	2,777,768	2,562,207	-	2,562,207
	<b>32,661,558</b>	<b>-</b>	<b>32,661,558</b>	<b>32,370,246</b>	<b>-</b>	<b>32,370,246</b>

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (un-audited)

Associates

Warid Telecom (Private) Limited	2,679,578	-	2,679,578	2,679,578	-	2,679,578
Wateen Telecom (Private) Limited	417,474	-	417,474	417,474	-	417,474
Alfalalah Insurance Limited	68,990	-	68,990	68,990	-	68,990
Alfalalah GHP Value Fund	100,000	-	100,000	100,000	-	100,000
Alfalalah GHP Income Multiplier Fund	550,000	-	550,000	550,000	-	550,000
Alfalalah GHP Islamic Fund	250,000	-	250,000	250,000	-	250,000
Alfalalah GHP Investment Management Limited	130,493	-	130,493	130,493	-	130,493
Share of Associates	1,047,565	-	1,047,565	1,161,785	-	1,161,785
	<u>5,244,100</u>	<u>-</u>	<u>5,244,100</u>	<u>5,358,320</u>	<u>-</u>	<u>5,358,320</u>
Investment at cost	70,417,513	2,414,555	72,832,068	74,913,112	14,742,700	89,655,812
Less: Provision for Diminution in value of Investments	(3,926)	-	(3,926)	-	-	-
Investments (net of Provisions)	<u>70,413,587</u>	<u>2,414,555</u>	<u>72,828,142</u>	<u>74,913,112</u>	<u>14,742,700</u>	<u>89,655,812</u>
(Deficit) on revaluation of held-for-trading securities	(75,285)	-	(75,285)	(22,057)	-	(22,057)
(Deficit) on revaluation of available-for-sale securities	(139,830)	(6,718)	(146,548)	(21,148)	(34,216)	(55,364)
Total investments	<u>70,198,472</u>	<u>2,407,837</u>	<u>72,606,309</u>	<u>74,869,907</u>	<u>14,708,484</u>	<u>89,578,391</u>

8 ADVANCES

Loans, cash credits, running finances, etc.

- In Pakistan
- Outside Pakistan

Net investment in finance lease / Ijara Financing

- In Pakistan
- Outside Pakistan

Bills discounted and purchased (excluding treasury bills)

- Payable in Pakistan
- Payable outside Pakistan

Specific provision against non-performing advances

General provision against performing advances

Note

	June 30, 2008 (Un-audited)	December 31, 2007 (Audited)
	(Rupees in '000)	
	154,708,829	144,944,115
	8,318,854	7,598,767
	<u>163,027,683</u>	<u>152,542,882</u>
	15,434,525	15,820,046
	-	-
	<u>15,434,525</u>	<u>15,820,046</u>
	1,475,501	1,579,472
	4,963,595	5,568,601
	<u>6,439,096</u>	<u>7,148,073</u>
	<u>184,901,304</u>	<u>175,511,001</u>
	(3,792,095)	(3,380,409)
	<u>(1,094,554)</u>	<u>(1,099,409)</u>
	<u>180,014,655</u>	<u>171,031,183</u>

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (un-audited)

8.1 Advances include Rs.5.669 billion (December 2007: Rs.4.705 billion) which have been placed under non-performing status as detailed below:

Category of classification	June 30, 2008 (Un-audited)								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	----- (Rupees in '000) -----								
Other Assets Especially									
Mentioned	173,052	-	173,052	-	-	-	-	-	-
Substandard	1,418,776	-	1,418,776	326,204	-	326,204	326,204	-	326,204
Doubtful	795,316	111,591	906,907	354,574	42,145	396,719	354,574	42,145	396,719
Loss	3,114,118	56,514	3,170,632	3,045,630	23,542	3,069,172	3,045,630	23,542	3,069,172
	<u>5,501,262</u>	<u>168,105</u>	<u>5,669,367</u>	<u>3,726,408</u>	<u>65,687</u>	<u>3,792,095</u>	<u>3,726,408</u>	<u>65,687</u>	<u>3,792,095</u>
	December 31, 2007 (Audited)								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	----- (Rupees in '000) -----								
Other Assets Especially									
Mentioned	110,759	-	110,759	-	-	-	-	-	-
Substandard	1,026,754	36,255	1,063,009	243,543	1,813	245,356	243,543	1,813	245,356
Doubtful	593,233	-	593,233	282,801	-	282,801	282,801	-	282,801
Loss	2,885,788	52,296	2,938,084	2,830,217	22,035	2,852,252	2,830,217	22,035	2,852,252
	<u>4,616,534</u>	<u>88,551</u>	<u>4,705,085</u>	<u>3,356,561</u>	<u>23,848</u>	<u>3,380,409</u>	<u>3,356,561</u>	<u>23,848</u>	<u>3,380,409</u>

8.2 General provision against consumer loans includes provision maintained at an amount equal to 1.5% of the fully secured performing portfolio and 5% of the unsecured performing portfolio as required by the Prudential Regulations for consumer financing issued by the State Bank of Pakistan. In addition, the bank also maintains general provision against certain advances based on its internal estimates. General provision for overseas branches is maintained in accordance with the requirements of the monetary agencies and regulatory authorities of the respective countries in which the overseas branches operate.

	June 30, 2008 (Un-audited)	December 31, 2007 (Audited)
	(Rupees in '000)	
<i>Note</i>		
<b>9 CONTINGENCIES AND COMMITMENTS</b>		
<b>9.1 Direct credit substitutes</b>		
Contingent liability in respect of guarantees given favouring:		
- Government	6,075,184	1,292,972
- Banking companies and other financial institutions	203,786	180,164
- Others	4,303,496	2,413,750
	<u>10,582,466</u>	<u>3,886,886</u>
<b>9.2 Transaction - related contingent liabilities</b>		
Contingent liability in respect of performance bonds, bid bonds, shipping guarantees, standby letters of credit, etc. given favouring:		
- Government	11,514,597	13,045,987
- Banking companies and other financial institutions	659,973	446,639
- Others	10,516,129	11,627,301
	<u>22,690,699</u>	<u>25,119,927</u>

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (un-audited)

	June 30, 2008 (Un-audited)	December 31, 2007 (Audited)
<i>Note</i>	(Rupees in '000)	
<b>9.3 Trade - related contingent liabilities</b>		
Letters of credit	43,190,773	38,533,186
Acceptances	8,621,379	8,558,681
<b>9.4 Other contingencies</b>		
Claims against the Bank not acknowledged as debts	961,732	728,489
<b>9.5 Commitments in respect of forward lending</b>		
Commitments to extend credit	800,000	6,014,000
<b>9.6 Commitments in respect of forward exchange contracts</b>		
Purchase	12,752,786	11,653,723
Sale	14,262,655	12,625,977
<b>9.7 Commitments for the acquisition of operating fixed assets and intangibles</b>	740,775	492,230
<b>9.8 CFS transaction (including transactions to be rolled over) entered into by the Company in respect of which the sale transactions have not been settled at period end</b>	30,866	-
<b>10 CASH AND CASH EQUIVALENTS</b>		
Cash and balances with treasury banks	36,261,367	29,436,378
Balances with other banks	16,835,735	18,388,124
Call lendings	4,316,679	997,582
	57,413,781	48,822,084
<b>11 TAXATION</b>		

The income tax assessments of the Bank have been finalised upto and including tax year 2007. Matters of disagreement exist between the Bank and tax authorities for various assessment years and are pending with the Commissioner of Income Tax (Appeals), Income Tax Appellate Tribunal (ITAT) and High Court of Sindh.

The issues mainly relate to addition of mark-up in suspense to income, taxability of profit on government securities, bad debts written off and disallowance relating to profit and loss expenses. However, adequate provision has been made in the financial statements in respect of these disallowances / additions to taxable income.

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (un-audited)

12 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity is as follows:-

	For the half year ended June 30, 2008 (Un-audited)					Total
	Trading & Sales	Retail Banking	Corporate / Commercial Banking	Retail Brokerage	Assets Management	
	-----Rupees in '000-----					
Total income	4,085,207	3,837,297	8,738,372	80,716	-	16,741,592
Total expenses	(3,241,897)	(3,144,068)	(7,486,755)	(98,760)	-	(13,971,480)
Net income	843,310	693,229	1,251,617	(18,044)	-	2,770,112
Segment return on assets (ROA) (%)	8.62%	18.53%	11.05%	12.41%	-	-
Segment cost of funds (%)	6.82%	15.19%	8.86%	12.47%	-	-

	For the half year ended June 30, 2007 (Un-audited)					Total
	Trading & Sales	Retail Banking	Corporate / Commercial Banking	Retail Brokerage	Assets Management	
	-----Rupees in '000-----					
Total income	3,281,381	3,645,540	7,196,294	71,279	12,873	14,207,367
Total expenses	(2,910,967)	(3,127,307)	(6,269,212)	(62,076)	(21,062)	(12,390,624)
Net income	370,414	518,233	927,082	9,203	(8,189)	1,816,743
Segment return on assets (ROA) (%)	7.71%	17.28%	10.25%	14.70%	10.35%	-
Segment cost of funds (%)	6.95%	14.82%	8.44%	12.47%	9.00%	-

	As at June 30, 2008 (Un-audited)					Total
	Trading & Sales	Retail Banking	Corporate / Commercial Banking	Retail Brokerage	Assets Management	
	-----Rupees in '000-----					
Segment assets (gross of NPL provisions)	107,062,629	41,049,447	188,140,736	556,630	-	336,809,442
Segment non performing loans (NPL)	-	2,128,609	3,540,758	-	-	5,669,367
Segment provision required against NPL	-	1,624,725	2,167,370	-	-	3,792,095
Segment liabilities	3,376,434	40,500,770	270,444,416	461,811	-	314,783,431

	As at December 31, 2007 (Audited)					Total
	Trading & Sales	Retail Banking	Corporate / Commercial Banking	Retail Brokerage	Assets Management	
	-----Rupees in '000-----					
Segment assets (gross of NPL provisions)	121,094,895	50,951,279	161,832,793	181,314	-	334,060,281
Segment non performing loans (NPL)	-	1,708,428	2,996,657	-	-	4,705,085
Segment provision required against NPL	-	1,251,200	2,129,209	-	-	3,380,409
Segment liabilities	18,750,329	66,094,010	227,830,969	590,410	-	313,265,718

13 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 includes 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.

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (un-audited)

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

Details of amounts outstanding as at period / year end are as follows:

	June 30, 2008 (Un-audited)					Total
	Directors	Key Management Personnel	Group Companies	Associates	Others	
(Rupees in '000)						
<b>Deposits</b>						
Balance at the beginning of the period	2,129	111,269	155,582	9,702,460	18	9,971,458
Placements during the period	168,765	216,931	1,847,080	51,331,734	-	53,564,510
Withdrawals / adjustments during the period	(90,279)	(248,922)	(1,872,937)	(56,889,884)	-	(59,102,022)
Balance at the end of the period	<u>80,615</u>	<u>79,278</u>	<u>129,725</u>	<u>4,144,310</u>	<u>18</u>	<u>4,433,946</u>
<b>Financing</b>						
Balance at the beginning of the period	-	145,835	-	12,018	-	157,853
Disbursements during the period	10,000	52,151	-	7,895,270	-	7,957,421
Repayments / adjustments during the period	(268)	(84,246)	-	(4,076,777)	-	(4,161,291)
Balance at the end of the period	<u>9,732</u>	<u>113,740</u>	<u>-</u>	<u>3,830,511</u>	<u>-</u>	<u>3,953,983</u>
<b>Investments</b>						
Balance at the beginning of the period	-	-	305,000	4,196,535	120,000	4,621,535
Investment during the period	-	-	214,558	-	-	214,558
Withdrawals during the period	-	-	(249,761)	-	-	(249,761)
Balance at the end of the period	<u>-</u>	<u>-</u>	<u>269,797</u>	<u>4,196,535</u>	<u>120,000</u>	<u>4,586,332</u>
<b>Call Borrowings / Repo</b>						
Balance at the beginning of the period	-	-	-	-	-	-
Placements during the period	-	-	22,015,130	-	-	22,015,130
Withdrawals during the period	-	-	(22,015,130)	-	-	(22,015,130)
Balance at the end of the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Call Lendings / Reverse repo</b>						
Balance at the beginning of the period	-	-	-	-	-	-
Placements during the period	-	-	22,635,412	-	-	22,635,412
Withdrawals during the period	-	-	(22,335,412)	-	-	(22,335,412)
Balance at the end of the period	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>300,000</u>



Notes to and forming part of the Consolidated Condensed Interim Financial Statements (un-audited)

	June 30, 2008 (Un-audited)					Total
	Directors	Key Management Personnel	Group Companies	Associates	Others	
----- (Rupees in '000) -----						
<b>Deposits</b>						
Balance at the beginning of the year	3,905	20,467	16,095	1,047,226	6	1,087,699
Adjustments	-	-	-	5,750	-	5,750
Placements during the year	58,035	574,163	2,106,653	144,806,723	15	147,545,589
Withdrawals during the year	(59,811)	(483,361)	(1,967,166)	(136,157,239)	(3)	(138,667,580)
Balance at end of the year	<u>2,129</u>	<u>111,269</u>	<u>155,582</u>	<u>9,702,460</u>	<u>18</u>	<u>9,971,458</u>
<b>Financing</b>						
Balance at the beginning of the year	-	59,043	-	3,100,908	183,333	3,343,284
Adjustments	-	-	-	5,444	-	5,444
Disbursements during the year	-	269,968	-	-	-	269,968
Repayments during the year	-	(183,176)	-	(3,094,334)	(183,333)	(3,460,843)
Balance at end of the year	<u>-</u>	<u>145,835</u>	<u>-</u>	<u>12,018</u>	<u>-</u>	<u>157,853</u>
<b>Investments</b>						
Balance at the beginning of the year	-	-	349,580	2,586,464	120,000	3,056,044
Adjustments	-	-	-	56,000	-	56,000
Investment during the year	-	-	49,173	2,042,236	-	2,091,409
Withdrawals during the year	-	-	(93,753)	(488,165)	-	(581,918)
Balance at end of the year	<u>-</u>	<u>-</u>	<u>305,000</u>	<u>4,196,535</u>	<u>120,000</u>	<u>4,621,535</u>
<b>Call borrowings / Repo</b>						
Balance at the beginning of the year	-	-	-	-	-	-
Placements during the year	-	-	30,036,692	-	-	30,036,692
Withdrawals during the year	-	-	(30,036,692)	-	-	(30,036,692)
Balance at end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Call lendings / Reverse Repo</b>						
Balance at the beginning of the year	-	-	920,644	-	-	920,644
Placements during the year	-	-	43,298,686	-	-	43,298,686
Withdrawals during the year	-	-	(44,219,330)	-	-	(44,219,330)
Balance at end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## Notes to and forming part of the Consolidated Condensed Interim Financial Statements (un-audited)

	Half year ended June 30, 2008 (Un-audited)	Half year ended June 30, 2007 (Un-audited)
	(Rupees in '000)	
<b>With associated companies</b>		
Insurance premium paid to Alfalah Insurance Limited	93,567	45,750
Mark-up income on advances to Warid Telecom	364	176,101
Mark-up income on advances to Wateen Telecom	8,862	-
Commission income on letters of credit and guarantees	-	133
<b>With other related parties</b>		
Capital gain on sale of shares	5,534	21,516
Contribution to employees provident fund	73,637	53,195
<b>The key management personnel / directors compensation are as follows:</b>		
Salaries and benefits - Parent company	232,202	133,606

In addition the Chief Executive Officer and other executive officers are provided with the Bank maintained cars.

**14 DATE OF AUTHORISATION**

These consolidated condensed interim financial statements were authorised for issue on August 31, 2008 by the Board of Directors.

**15 GENERAL**

Corresponding information has been re-classified, re-arranged or additionally incorporated in these condensed interim financial statements, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chairman

## 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

Progressive Square,  
11-A Block-6 PECHS.  
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) 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. C-12-C  
26th Commercial St. Phase V,  
Defence Housing Authority.  
Phone : (021) 5302639-44  
Fax : 5302635

#### 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 Udham Quarters,  
Near Light House, M.A. Jinnah Road.  
Phone : (021) 2217290-4  
Fax : 2217244

## Branch Network

**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) 6626004  
Fax : 6625402

**Gulistan-e-Jauhar Branch**  
Yasir Plaza, Block 10-A, Scheme 45,  
Main Rashid Minhas Road,  
Gulshan-e-Iqbal,  
Phone : (021) 4812926-27, 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

**DHA Phase IV, Karachi**  
Plot No. 80, 10th Commercial Street,  
Phase IV, Defence Housing Authority, Karachi  
Phone: (021) 5312832 - 35  
Fax: 5312837

**Gizri**  
K-4/3, Bazar Area Clifton, Karachi  
Phone: 021 - 5868991-93  
Fax: 021 - 5867149

**Sea View**  
Sahil Promenade,  
Block 3, Scheme 5,  
Clifton, Karachi  
Phone: 021 - 5364095-97  
Fax: 021 - 5371259

**Nazimabad**  
Al-Kausar Homes,  
Plot # 2, Block-III,  
Sub-Block "E", Nazimabad, Karachi  
Phone: (021) 6708980-83  
Fax: (021) 6708978

**Saddar Branch**  
Shop # 6, State Life Building # 5,  
Abdullah Haroon Road.  
Phone: (021) 5658710-11  
Fax: (021) 5658717

**Johar Chowranghi Branch**  
Rafi shopping Mall Block  
18 Gulistan e Johar  
Phone : (021)4638114  
Fax : 4638115

**Nagan Chowranghi Branch**  
Plot # SC-28, Sector 11-H,  
North Karachi, Karachi  
Phone : (021)-6957622  
Fax : 6957176

**Jamshed Road Branch**  
Ashfaque Plaza, Jamshed Quarters,  
New M.A. Jinnah Road, Karachi  
Phone : (021)-4860794-95  
Fax : 4860793

## Branch Network

### HYDERABAD

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

#### Grain Market Branch

Aman Center, Price Ali Road Hirabad  
Phone : (022)-2660611-5  
Fax : 2660620

### 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

**Double Road**  
Arbab Plaza, Double Road, Quetta  
Phone : (081) 2441961-62, 2441662  
Fax : (081) 2441665

**Model Town Quetta Branch**  
Plot # 35-B, Model Town,

### 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

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

**Allama Iqbal Town Branch**  
36, College Block, Allam 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

## Branch Network

### 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 Raod.  
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

### Model Town, Lahore

13 Bank Square, Central Commercial Market,  
Model Town Lahore  
Phone : (042) 5884670-72  
Fax : 5884675

### Cavalry Ground, Lahore

35 Main Boulevard, Officers Housing Scheme,  
Cavalry Ground Lahore  
Phone : (042) 6610531-32, 6610534  
Fax : 6610536

### Chuburgi

24-Niaz View Scheme, Rewaz Garden,  
Chuburji, Lahore  
Phone : (042) 7356640-42  
Fax : 7222236

### Main Market Gulberg

32-E-Main Market, Gulberg II, Lahore  
Phone : 042 - 5786955- 59  
Fax : 042 - 5786964

### Montgomery Road Branch

65-Montgomery Road, Lahore

### Jauhar Town Branch

Plot No. 435, Block G-1  
M.A. Johar Town, Lahore  
Phone : (042)- 5311632-33

## ISLAMABAD

### Blue Area Branch

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

## Branch Network

### 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

### G-9 Markaz, Islamabad

39-G-9 Markaz, Mauve Area, Islamabad  
Phone: (051) 2253002-3  
Fax: 2854932

### F-8 Markaz, Islamabad

Shop No. 2 & 3, Al-Babar Centre,  
F-8 Markaz, Islamabad  
Phone: (051) 7151673, 2854615  
Fax: 2260270

## RAWALPINDI

### The Mall Branch

8, The Mall  
Phone : (051) 5700038-40  
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 : 576605

### 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

### Airport Road

7-Fazal Town, Airport Link Road, Rawalpindi  
Phone: (051) 5781484- 5  
Fax: 5781483

### Khanna Branch

Adil Tahir Plaza, Service Road,  
Al-Noor Colony, Sector 3  
Phone: (051) 4479290-3, Fax: (051) 4479295

## FATEH JANG

Rawalpindi Road, Fateh Jang,  
Phone : (0572)-210837-38 Fax : 210839

## WAH CANTT

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

## FAISALABAD

### Main Branch

Ground Floor, State Life Building, Liaquat 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

## Branch Network

### 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

### Sheikhupura Road, Faisalabad

P - 352-A, Gulistan Colony II,  
Millat Chowk, Sheikhupura Road, Faisalabad  
Phone : 041-8582141 - 3  
Fax : 041-8582147

### Babar Chowk Branch

Peoples Colony Extension, Babar Chowk  
Phone : (041)- 8557421-22  
Fax : 8557424

## 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

### Peepal Mandi Branch

Ashraf China Trade Center Peepal Mandi, Peshawar  
Phone : 8557421-2  
Fax : (091)-2564911

## ATTOCK

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

## KAMARA

Attock Road, Kamara  
Phone : (057)-9317423-25 Fax : 9317420

## 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 Shaheedan Branch

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

### Shahrukn-e-Alam Branch

230-A Main Road Multan.  
Phone : (061)-6784201-4 Fax : 6784205

## 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



## Branch Network

### 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 : (0937) 873631-3 Fax : 873733

### BAHAWALPUR

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

### CHINIOT

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

### DASKA

Gujanwala 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

Bunglow 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 : (0966) 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

### JHANG

9-D, Yousuf Shah Road,  
Jhang Saddar.  
Phone : (047) 7624701-3  
Fax : 7624704

### TOBA TEK SINGH

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

## Branch Network

### 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 BHAUDDIN

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

### HAROONABAD

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, Adjecent to Mazar  
Hazrat Baba Bulley Shah, Rail Road  
Phone : (0492) 765218-9 Fax : 770890

### MANSEHRA

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

### Oghi Branch

Main Bazar, District Mansehra  
Phone: (0997) 321949 Fax: (0997) 321357

### BANNU

Gowshala Road, Fatima Khel  
Phone : (0928) 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

### KALLAR SYEDAN

Ghousia Shopping Centre,  
Choa Road, Kallar Syedan  
Phone : (051) 3570763, 3572016  
Fax : 3570227

### GUJAR KHAN

58-D & 59-C,  
Akbar Kiani Shopping Mall,  
G.T. Road, Gujar Khan  
Phone : 051- 3515704-707  
Fax : 051 - 3515703

### GOJRA

P -86, Block III,  
Bohar Wali Gali, Gojra  
Phone : 046- 3517876-77  
Fax : 046- 3517878

### MURIDKE

G.T. Road, Muridke  
Phone : (042) 7983173-75  
Fax : (042) 7983172

### JARANWALA

P -813, Street No. 3,  
Nia Bazar, Jaranwala  
Phone : (041) 4319003-4  
Fax : (041) 4319005

### BAHA WALNAGAR

Shop # 6, Ghallah Mandi, Bahawalnagar  
(063) 2272005-8  
(063) 2277437

### MUZAFFARGARH

Mauza Taliri, Multan Road, Distt. Muzaffargarh  
(0662) 428920-23 (0662) 428931

### KHANPUR

Kutchery Road, Model Town, Khanpur  
(068)5577502- 3,  
5577617, 5577627  
(068) 5577805

### HARIPUR

Main Shahrah-e-Hazara,  
G.T. Road, Haripur  
Phone : (0995) 627451-2  
Fax : (0995) 627831

### DINGA

Thana Road, Dinga, Distt. Gujrat  
Phone : (053) 7404844-46  
Fax : (053) 7404840

### WAZIRABAD

Sialkot Road, Wazirabad,  
Distt. Gujranwala  
Phone : (055) 6609460, 6609470, 6609480  
Fax : (055) 6609450

### KHUSHAB

Plot # 2, Block # 2, Janharabad  
Phone: (0454) 723761-2  
Fax: (0454) 723758

### NANKANA SAHIB

Main Jaranwala Road, Mandi Faizabad  
Phone: (056) 2881031-4,  
Fax: (056) 2882086

### MIANWALI

Watta Khel Chowk, Sargodha Road, Mianwali  
Phone : (0459) 237794-6, Fax : 237791

### BHERA

Circular Road, Darwaza Chakwala, Behra  
Phone : (048) 6692162-3, Fax : 6692161

### TALAGANG

Taqi Plaza, Chakwal Road,  
Talagang Phone : (0543) 410791-4  
Fax : (0543) 411030

### MURREE

Sharjah Center, Mall Road,  
Phone : (051)-3413210-2  
Fax : 3413149

### DINA

Mahfooz Plaza, G T Road  
Phone : (0544)-632723-4 Fax : 632557

### KHANEWAL

Cinema Road, Chak # 98-10/R  
Phone : (065) 2555701-4, Fax : 2555710

### PIR MAHAL

Mohallah Kasurabad,  
Rajana Road, Pir Mahal  
Phone : (046)-3366430-31 & 3366381  
Fax : 3366382

## Branch Network

### DEPALPUR

Kuthcery Road, Depalpur  
Phone : (044)-4542223-25 Fax : 4542220

### ISLAMIC BANKING BRANCHES

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

**Shahrah-e-Faisal, Karachi**  
Ground Floor, Fortune Center, Shahrah-e-Faisal.  
Phone : (021) 4315271-4  
Fax : 4313581

**Jodia Bazar**  
Plot No. 112, Durya Lal Street,  
Jodia Bazar, Karachi  
Phone : (021) 2446542 - 5  
Fax : (021) 2430492

**Gulistan-e-Jauhar**  
Pakistan Tulip Valley Plot No. SB-1, Block # 1,  
Phone : (021) 4661355-7  
Fax : (4661359

**Korangi Industrial Area**  
Shop No. 1, Plot # 27/28, Sector-16  
Korangi Industrial Area, Karachi  
Phone : (021) 5061661-4  
Fax : (021) 5067031

**Gulshan-e-Iqbal**  
Plot # 40-B, Block#13-A, KDA Scheme No. 24,  
Gulshan-e-Iqbal, Karachi  
Phone : (021) 4144650- 52 Fax : (021) 4144653

**North Nazimabad, Karachi**  
D-3, Block A, North Nazimabad  
Phone : (021)-6633133 & 6633177  
Fax : 6633135

**DHA Branch, Karachi**  
23-C, Main Khayabane-e-Ittehad,  
Phase II Extension, DHA, Karachi  
Phone : (021)-531873-80  
Fax : 5313872

**Dhorajee, Karachi**  
Plot # 35/127 Block 7 & 8  
C.P. Berar Cooperative Housing Society  
Phone : (021) 4860321-2  
Fax : 4860320

**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

**Zarrar Shaheed Road**  
1500-F, Dubai Chowk, Zarrar Shaheed Road,  
Lahore Cantt., Lahore  
Phone : (042) 6613853-62  
Fax : (042) 6673224

**Gulshan-e-Ravi**  
Block F, Main Road, Gulshan-e-Ravi Lahore  
Phone : (042) 7404811-20  
Fax : (042) 7404821

**Qurtaba Chowk**  
Rehman Chambers, Qurtaba Chowk,  
Mozang Chungi, Lahore  
Phone : (042) 7114612-16  
Fax : (042) 7114618

**Mughalpura Branch**  
Opposite Ialpul, Jehangir Raod  
Phone: (042) 6524701-09,  
Fax: (042) 6524710

**Multan Road, Lahore**  
Opposite Bex Factory,  
Main Multan Road, Lahore  
Phone : (042) 7490041-5 Fax : 7490046

**Wahdat Road, Lahore**  
14-Main Wahdat Road, Lahore

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

**G-10 Markaz, Islamabad**  
20-A, Sardar Plaza, G-10 Markaz  
Phone : (0511)-2819101-05 Fax : 2819100

## Branch Network

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

**Satellite Town, Rawalpindi**  
400-B, Block B, Commerical Market,  
Phone : (051)4452048-9 Fax : 4452050

**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

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

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

**Jamrud Road, Peshawar**  
Phone : (0915) 5701385-89  
Fax : 5701392

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

**11 - 12 - 13, City Centre, Shahi Road  
Rahim Yar Khan**  
Phone : (068) 5885331 - 2  
Fax : (068) 5885668

**Dera Islamil Khan**  
East Circular Road, Toopanwala Gate  
Dera Ismail Khan  
Phone : (0966) 710141-2 Fax : 710139

### 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  
Phone : (0088) 171-888727

**Sylhet Branch**  
Marchant Tower  
582 East Mirza Bazar  
Phone: (00880821) 2830679  
Fax: (00880821) 2830677

**Dhanmondi Branch, Bangladesh**  
81/A- Satmasjid Road, Dhaka City Corporation,  
Union Dhanmondi,  
Phone : (00880) 0161-001477

#### 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

#### KINGDOM OF BAHRAIN

##### MANAMA

1302-Harbour Tower West Bahrain  
Financial Harbour P.O. Box # 1375  
Phone: (00973) 17203100  
Fax: (00973) 17224300