

CONTENTS

	Page No.
CORPORATE INFORMATION	2
DIRECTORS' REVIEW	3
CONDENSED INTERIM BALANCE SHEET	5
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)	6
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)	7
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)	8
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)	9
CONSOLIDATED CONDENSED INTERIM BALANCE SHEET	18
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)	19
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)	20
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)	21
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)	22
BRANCH NETWORK	30

These quarterly financial statements are available on bank's official website: www.bankalfalah.com

CORPORATE INFORMATION

Board of Directors

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

Board Advisory Committee

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

Board Audit Committee

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

Central Management Committee

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

Company Secretary

Mr. Hamid Ashraf

Chief Financial Officer

Mr. Zahid Ali H. Jamall

Auditors

KPMG Taseer Hadi & Co.,
Chartered Accountants

Registered / Head Office

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

Website

www.bankalfalah.com



DIRECTORS' REVIEW

The Board of Directors is pleased to present the un-audited financial statements of the Bank for the nine months ended September 30, 2006.

	Nine Months period ended September 2006	Nine Months period ended September 2005
	(Rupees in '000')	
Profit before provisions and Taxation	2,406,712	2,342,019
Provisions	(508,079)	(279,684)
Profit before Taxation	1,898,633	2,062,335
Taxation	(557,074)	(702,318)
Profit After Taxation	<u>1,341,559</u>	<u>1,360,017</u>
Earnings per share	Rs. 3.04	Rs. 3.15

During the nine months ended September 30, 2006 the Bank's profit before provision and taxation stood at Rs. 2,406.712 million as compared to Rs.2,342.019 million for the previous comparable period, registering an increase of 2.76%.

In compliance with the current prudential regulations on consumer banking, your Bank has created general provisions amounting to Rs.149.880 million against the consumer portfolio, for the nine months ended September 2006. These provisions are in addition to the specific provisions made on the same consumer portfolio.

We continue to strengthen our presence in the market place and as of September 30, 2006, we are operating through 170 branches that include 15 Islamic Banking branches and five foreign branches in Bangladesh and Afghanistan. Our plan is to add more branches to the network during the year 2006.

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

DIRECTORS' REVIEW

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

MOHAMMAD SALEEM AKHTAR
Director & Chief Executive Officer
Date: October 18, 2006
Place: Abu Dhabi

CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2006

	Note	30 September 2006 (un-audited)	31 December 2005 Restated
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		25,237,859	24,788,625
Balances with other banks		10,741,965	9,713,369
Lendings to financial institutions		10,554,703	27,050,493
Investments	7	68,204,888	57,425,700
Advances	8	133,755,347	118,864,010
Other assets		5,205,907	3,851,529
Operating fixed assets		7,798,800	6,620,067
Deferred tax assets		-	-
		261,499,469	248,313,793
LIABILITIES			
Bills payable		3,877,803	3,733,124
Borrowings from financial institutions		20,282,818	5,844,389
Deposits and other accounts		214,843,051	222,345,067
Sub-ordinated loans		3,222,731	3,223,355
Liabilities against assets subject to finance lease		-	-
Other liabilities		7,754,401	5,219,666
Deferred tax liabilities		765,794	484,066
		250,746,598	240,849,667
NET ASSETS		10,752,871	7,464,126
REPRESENTED BY			
Share capital		5,000,000	3,000,000
Reserves		2,618,882	1,851,218
Unappropriated profit		2,479,648	1,886,845
		10,098,530	6,738,063
Surplus on revaluation of assets - net of deferred tax		654,341	726,063
		10,752,871	7,464,126
CONTINGENCIES AND COMMITMENTS			
	9		

The annexed notes 1 to 12 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 NINE MONTHS ENDED SEPTEMBER 30, 2006

	Note	2006		2005	
		Three months period ended 30 Sep 2006	Nine months period ended 30 Sep 2006	Three months period ended 30 Sep 2005	Nine months period ended 30 Sep 2005
----- (Rupees in '000) -----					
Mark-up / return / interest earned		5,475,961	15,537,009	3,573,046	8,204,311
Mark-up / return / interest expensed		(3,748,921)	(11,066,596)	(2,062,836)	(4,331,472)
Net mark-up / return / interest income		1,727,040	4,470,413	1,510,210	3,872,839
Provision against non-performing loans and advances		(167,814)	(467,112)	(98,602)	(266,086)
Gain / (loss) on remeasurement of held of trading investments		56,591	(40,967)	35,603	(13,598)
Bad debts written off directly		(509)	(1,022)	(41)	(325)
		(111,732)	(509,101)	(63,040)	(280,009)
Net mark-up / return / interest income after provisions		1,615,308	3,961,312	1,447,170	3,592,830
Non mark-up / interest income					
Fee, commission and brokerage income		461,699	1,257,590	316,625	784,515
Dividend income		20,724	30,195	16,179	41,821
Income from trading in government securities		-	-	-	-
Income from dealing in foreign currencies		84,263	268,004	83,686	191,886
Other income	10	222,376	777,912	124,604	455,290
Total non-markup / interest income		789,062	2,333,701	541,094	1,473,512
		2,404,370	6,295,013	1,988,264	5,066,342
Non mark-up / interest expense					
Administrative expenses		1,588,189	4,357,206	1,201,161	2,993,973
Other provisions / write-offs		-	-	-	9,673
Other charges		39,557	39,174	32	361
Total non-markup / interest expenses		1,627,746	4,396,380	1,201,193	3,004,007
Extra ordinary / unusual items		-	-	-	-
Profit before taxation		776,624	1,898,633	787,071	2,062,335
Taxation					
- Current		120,869	321,778	211,567	605,507
- Prior		-	(45,000)	-	(6,000)
- Deferred		127,470	280,296	62,089	102,811
		248,339	557,074	273,656	702,318
Profit after taxation		528,285	1,341,559	513,415	1,360,017
Basic/ Diluted earnings per share	Rupees	1.19	3.04	1.16	3.15

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Director

Chairman

BANK ALFALAH LIMITED



بنك الفلاح المحدود

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2006

	30 September 2006	30 September 2005
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,898,633	2,062,335
Less: Dividend income	(30,195)	(41,821)
	1,868,438	2,020,514
Adjustments for non-cash charges		
Depreciation	499,508	331,741
Amortisation - intangible assets	11,899	10,220
Provision against non-performing advances (net of reversals)	467,112	266,086
Gain / loss on remeasurement of held for trading investments	40,967	13,598
Bad debts written-off directly	1,022	325
Gain on sale of operating fixed assets	(9,803)	(1,740)
Provision for gratuity	56,811	37,935
	1,067,516	658,165
	2,935,954	2,678,679
(Increase) / decrease in operating assets		
Lending to financial institutions	17,604,582	(7,241,878)
Advances	(15,359,471)	(15,290,801)
Net investments in held for trading securities	188,318	(195,973)
Other assets	(1,171,664)	(451,791)
	1,261,765	(23,180,443)
Increase / (decrease) in operating liabilities		
Bills payable	144,679	1,828,549
Borrowings from financial institutions	14,438,429	(3,165,608)
Deposits	(7,502,016)	42,537,624
Other liabilities	2,477,924	1,899,883
	9,559,016	43,100,448
	13,756,735	22,598,684
Gratuity paid	-	(5,000)
Income tax paid	(442,371)	(716,078)
Net cash flow from operating activities	13,314,364	21,877,606
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	(27,104,787)	(3,582,706)
Net investments in held to maturity securities	16,683,240	(10,222,994)
Net investments in subsidiary companies	-	(34,000)
Net investments in associated companies	(637,660)	(710,628)
Dividend received	13,074	34,680
Investments in operating fixed assets	(1,702,605)	(1,919,655)
Sale proceeds of property and equipment disposed-off	22,268	6,274
Net cash flow from investing activities	(12,726,470)	(16,429,029)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	1,000,000	499,800
Share premium received	1,000,000	499,800
Redemption of sub-ordinated loans	(624)	(370)
Dividend paid	-	(360,000)
Net cash flow from financing activities	1,999,376	639,230
Adjustment of exchange translation reserve	(648)	-
Increase in cash and cash equivalents	2,586,622	6,087,807
Cash and cash equivalents at beginning of the period	35,291,994	22,892,475
Cash and cash equivalents at end of the period	37,878,616	28,980,282
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash and balance with treasury banks	25,237,859	18,307,593
Balance with other banks	10,741,965	9,742,689
Call money lendings	1,898,792	930,000
	37,878,616	28,980,282

The annexed notes 1 to 12 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 nine months ended 30 September 2006

	Share Capital	Share Premium	Statutory Reserve	Reserve for Issue of Bonus Share	Exchange Translation Reserve	Unappropriated profit	TOTAL
	(Rupees in '000')						
Balance at January 1, 2005	2,500,000	-	1,008,772	-	-	860,300	4,369,072
Changes in equity for nine months ended upto 30 September 2005							
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	18,652	18,652
Profit for the period	-	-	-	-	-	1,360,017	1,360,017
Total recognized income and expense for the period	-	-	-	-	-	1,378,669	1,378,669
Transfer to statutory reserve	-	-	272,003	-	-	(272,003)	-
Issue of Rights shares	500,000	500,000	-	-	-	-	1,000,000
Effect of foreign currency translation	-	-	-	-	31	-	31
Interim dividend @ 12 percent	-	-	-	-	-	(360,000)	(360,000)
Balance at September 30, 2005	3,000,000	500,000	1,280,775	-	31	1,606,966	6,387,772
Changes in equity for three months ended upto 31 December 2005							
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	6,218	6,218
Profit for the period	-	-	-	-	-	342,077	342,077
Total recognized income and expense for the period	-	-	-	-	-	348,295	348,295
Transfer to statutory reserve	-	-	68,416	-	-	(68,416)	-
Issue of Rights shares	-	-	-	-	-	-	-
Effect of foreign currency translation	-	-	-	-	1,996	-	1,996
Transfer to reserve for issue of bonus shares 1 for every 3 shares held	-	(500,000)	-	1,000,000	-	(500,000)	-
Balance at December, 2005 as previously reported	3,000,000	-	1,349,191	1,000,000	2,027	1,386,845	6,738,063
Effect of change in accounting policy with respect to bonus shares declared after balance sheet date	-	500,000	-	(1,000,000)	-	500,000	-
Balance at December, 2005 as restated	3,000,000	500,000	1,349,191	-	2,027	1,886,845	6,738,063
Changes in equity for nine months ended upto 30 September 2006							
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	19,556	19,556
Profit for the period	-	-	-	-	-	1,341,559	1,341,559
Total recognized income and expense for the period	-	-	-	-	-	1,361,115	1,361,115
Transfer to statutory reserve	-	-	268,312	-	-	(268,312)	-
Issue of bonus shares	1,000,000	(500,000)	-	-	-	(500,000)	-
Issue of right shares	1,000,000	1,000,000	-	-	-	-	2,000,000
Effect of foreign currency translation	-	-	-	-	(648)	-	(648)
Balance at September 30, 2006	5,000,000	1,000,000	1,617,503	-	1,379	2,479,648	10,098,530

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Director

Chairman

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006

1. STATUS AND NATURE OF BUSINESS

Bank Alfalah Limited (the Bank) was incorporated in Pakistan on 21 June 1992 as a public limited company under the Companies Ordinance, 1984. It commenced banking operations from 1 November 1992. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and is operating through 150 conventional banking (December 2005: 128) branches and 15 Islamic Banking (December 2005: 15) branches and 5 foreign (December 2005 :4) branches. Its registered office is situated at B.A. Building, I.I. Chundrigar Road, Karachi.

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

2. DISCONTINUING OPERATION

On 28 October 2005 the Board of Directors of the Bank approved a plan to segregate its business of Islamic Banking into a separate entity. The segregation reflects Bank's plan to remain competitive with ever increasing competition in the local market and become the premier Islamic bank. Resultantly, in order to achieve this objective the Board feels that the Islamic Banking Division should be converted into a wholly owned subsidiary of the Bank. As of 30 September 2006 the Islamic Banking Division's assets were Rs. 19,465 million and its liabilities were Rs. 17,990 million.

During the period ended 30 September 2006, Islamic Banking Division earned revenue of Rs. 992.406 million, incurred expenses of Rs. 844.833 million and earned a pre-tax profit of Rs. 147.573 million with a related tax expense (including current and deferred tax) of Rs. 43.298 million. During the period ended 30 September 2006, Islamic Banking Division's cash inflow from operating activities was Rs. 1,799.862 million, cash outflow from investing activities was Rs. 498.875 million, and cash inflow from financing activities was Rs. Nil.

3. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with the Approved Accounting Standards and the requirements of the Companies Ordinance, 1984 and the Banking Companies Ordinance, 1962. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or the requirements of the said directives take precedence.

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

NOTES TO 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 vide BSD Circular Letter No. 2 dated 12 May 2004 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Bank for the year ended 31 December 2005.

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

4. SIGNIFICANT ACCOUNTING POLICIES

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

5. ESTIMATES AND ASSUMPTIONS

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

6. FINANCIAL RISK MANAGEMENT

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

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

7 INVESTMENTS

7.1 Investments by types

	30 September 2006 (un-audited)			31 December 2005		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
	(Rupees in '000)					
Held for trading securities	525,285	-	525,285	713,603	-	713,603
Available for sale securities	20,887,767	15,188,663	36,076,430	8,971,643	-	8,971,643
Held to maturity securities	29,027,800	-	29,027,800	45,455,713	255,327	45,711,040
	50,440,852	15,188,663	65,629,515	55,140,959	255,327	55,396,286
Subsidiaries	109,600	-	109,600	109,600	-	109,600
Associates	2,586,464	-	2,586,464	1,948,804	-	1,948,804
	53,136,916	15,188,663	68,325,579	57,199,363	255,327	57,454,690
(Loss) / Gain on remeasurement of held for trading investments	(19,969)	-	(19,969)	20,998	-	20,998
(Deficit) / surplus on revaluation of available for sale securities	(246,889)	146,167	(100,722)	(49,988)	-	(49,988)
	52,870,058	15,334,830	68,204,888	57,170,373	255,327	57,425,700

8 ADVANCES

Loans, cash credits, running finances etc.

	30 September 2006 (un-audited)	31 December 2005
- in Pakistan	112,636,575	99,826,193
- outside Pakistan	2,500,297	1,361,725

Net investment in finance lease / Ijara Financing

- in Pakistan	13,956,599	12,158,131
- outside Pakistan	-	-

	13,956,599	12,158,131
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Bills discounted and purchased (excluding treasury bills)

- Payable in Pakistan	1,940,835	2,222,723
- Payable outside Pakistan	4,726,421	4,848,219

	6,667,256	7,070,942
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	135,760,727	120,416,991
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Provision for non-performing advances - Specific	(966,164)	(707,369)
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Provision for non-performing advances - General	(1,039,216)	(845,612)
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8.1	133,755,347	118,864,010
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

8.1 This represents advances of Bangladesh and Afghanistan Branches amounting to Rs.2,755.174 Million and Rs.15.065 million respectively

8.2 Advances include Rs.1.932 billion (2005: Rs.1.06 billion) which have been placed under non-performing status.

8.3 Category of classification

	Domestic	Overseas	Total	Provision Required		Provision held	
				Specific	General	Specific	General
(Rupees in '000)							
Other Assets Especially							
Mentioned (Agri Financing)	66,916	-	66,916	-	-	-	-
Substandard	552,589	-	552,589	82,386		82,386	
Doubtful	149,866	-	149,866	57,710		57,710	
Loss	1,124,047	38,599	1,162,646	826,068		826,068	
	<u>1,893,418</u>	<u>38,599</u>	<u>1,932,017</u>	<u>966,164</u>	<u>948,571</u>	<u>966,164</u>	<u>1,039,216</u>

9 CONTINGENCIES AND COMMITMENTS

	30 September 2006 (un-audited)	31 December 2005
(Rupees in '000)		
9.1 Direct credit substitutes		
Contingent liability in respect of guarantees given favouring:		
- Government	890,525	964,712
- Banking companies and other financial institutions	39,673	44,214
- Others	983,221	975,229
	<u>1,913,419</u>	<u>1,984,155</u>
9.2 Transaction-related contingent liabilities		
Contingent liability in respect of performance bonds, bid bonds, shipping guarantees, standby letters of credit etc. favouring:		
- Government	10,069,224	8,957,823
- Banking companies and other financial institutions	113,374	662,917
- Others	7,473,783	5,004,954
	<u>17,656,381</u>	<u>14,625,694</u>
9.3 Trade-related contingent liabilities		
Letters of credit	22,054,263	20,490,078
Acceptances	7,198,159	4,814,441



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

	30 September 2006 (un-audited) (Rupees in '000')	31 December 2005
9.4 Other contingencies		
Claims against the Banks not acknowledged as debt	542,756	540,749
9.5 Commitments in respect of forward lending		
Forward call lending	-	-
Forward repurchase agreement lending	-	-
Commitments to extend credit	5,571,000	2,046,000
Others	-	-
9.6 Commitments in respect of forward exchange contracts		
Purchase	2,300,984	3,195,895
Sale	3,036,078	4,683,657
9.7 Commitments for the acquisition of operating fixed assets and intangibles	168,798	121,522
9.8 Commitments in respect repo transactions		
Repurchase	15,442,055	206,743
Resale	8,677,055	26,457,918

10 OTHER INCOME

	2006 (un-audited)		2005 (un-audited)	
	Three months period ended 30 Sep 2006	Nine months period ended 30 Sep 2006	Three months period ended 30 Sep 2005	Nine months period ended 30 Sep 2005
	----- (Rupees in '000) -----			
Net profit on sale of property and equipment	8,284	9,803	570	1,740
Gain / (loss) on sale of shares / certificates / units - net	(5,025)	198,454	(845)	141,521
Loss on sale of Government Securities	-	(1,410)	7,444	7,444
Postage, telex, service charges etc	219,117	571,065	117,435	304,585
	<u>222,376</u>	<u>777,912</u>	<u>124,604</u>	<u>455,290</u>

10.1 This includes other income of Rs. 29.007 million (September 2005: Rs.21.637 million) of Islamic Banking Division.

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

11 RELATED PARTY TRANSACTIONS

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

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

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

Details of transactions with related parties and balances with them excluding those entered into with 'directors/ executives as per their terms of employment as at the period-end were as follows:

	30 September 2006 (un-audited)	31 December 2005
(Rupees in '000')		
11.1 Financing		
With subsidiary company		
Balance at beginning of the period	224,565	90,809
Disbursements during the period	23,108,596	17,927,013
Repayments during the period	(23,231,906)	(17,793,257)
Balance at the end of the period	101,255	224,565
Maximum amount utilised under Running Finance arrangement	285,772	230,035
With associated company		
Balance at beginning of the period	31,969	-
Disbursements during the period	4,093,952	34,559
Repayments during the period	(1,015,386)	(2,590)
Balance at the end of the period	3,110,535	31,969
With other Related Party		
Balance at beginning of the period	200,000	-
Disbursements during the period	6,120	200,000
Repayments during the period	(6,120)	-
Balance at the end of the period	200,000	200,000

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

	30 September 2006 (un-audited)	31 December 2005	
(Rupees in '000')			
11.2 Deposits			
With subsidiary Companies			
Balance at beginning of the period	38,714	60,329	
Placement during the period	127,168	831,919	
Withdrawal during the period	(161,030)	(853,534)	
Balance at the end of the period	<u>4,852</u>	<u>38,714</u>	
With associated companies			
Balance at beginning of the period	657,989	-	
Placement during the period	24,912,081	12,040,037	
Withdrawal during the period	(24,911,643)	(11,382,048)	
Balance at the end of the period	<u>658,427</u>	<u>657,989</u>	
With other related parties			
Balance at beginning of the period	16,758	9,897	
Placement during the period	2,528,869	2,928,740	
Withdrawal during the period	(2,531,926)	(2,921,879)	
Balance at the end of the period	<u>13,701</u>	<u>16,758</u>	
	30 September 2006 (un-audited)	31 December 2005 (un-audited)	
(Rupees in '000')			
11.3 With subsidiary companies			
Mark-up / interest earned	10,532	8,227	
Brokerage & commission expense	1,789	2,727	
Rent income	2,402	1,752	
Finance lease income	261	93	
Lease rentals	1,463	1,185	
Leases disbursed during the period to subsidiary company	2,806	-	
Receivable against trade of marketable securities	2,628	-	
Security deposit	1,138	209	
Bank charges recovered	115	155	
Subscription towards share capital of subsidiary	-	34,000	
With associated companies			
Commission Income from Warid Telecom (Private) Ltd	55,375	-	
11.4 The Key Management Personal / Directors Compensation are as follows:			
Salaries and benefits	183,080	110,333	
In addition the chief executive and other executive officers are provided with bank maintained car.			
12 DATE OF AUTHORIZATION FOR ISSUE			
These condensed interim financial statements were authorized for issue on October 18, 2006 by the Board of Directors of the Bank.			
_____ Chief Executive Officer	_____ Director	_____ Director	_____ Chairman

BANK ALFALAH LIMITED**ISLAMIC BANKING DIVISION**

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

	30 September 2006	31 December 2005
	(Rupees in '000)	
ASSETS		
Cash and balances with treasury banks	2,683,014	2,502,913
Balances with and Due from Financial Institutions	3,128,703	2,007,817
Investments	574,275	97,973
Financing and Receivables		
-Murahaba	2,425,913	2,191,028
-Ijara	6,690,962	5,368,691
-Musharaka	153,510	97,173
-Diminishing Musharaka	2,306,455	1,905,182
-Salam	69,290	-
-Other Islamic Modes	95,010	554,649
Other assets	1,337,999	594,256
Total Assets	19,465,131	15,319,682
LIABILITIES		
Bills payable	158,844	254,085
Due to Financial Institutions	-	5,000
Deposits and other accounts		
-Current Accounts	4,885,347	4,477,525
-Saving Accounts	3,483,465	2,984,505
-Term Deposits	5,512,381	3,996,656
-Others	200,992	87,434
-Deposit from Financial Institutions -Remunerative	1,450,299	925,612
-Deposits from Financial Institutions-Non-Remunerative	-	-
Due to Head Office	-	-
Other liabilities	2,298,471	1,269,103
	17,989,799	13,999,920
NET ASSETS	1,475,332	1,319,762
REPRESENTED BY		
Share Capital / Head Office capital account	1,200,000	1,200,000
Funds provided in current account	23,542	23,542
Unappropriated / Unremitted profit	166,823	19,250
	1,390,365	1,242,792
Surplus / (Deficit) on revaluation of assets	84,967	76,970
	1,475,332	1,319,762
Remuneration to Shariah Advisor / Board	236	1,196
CHARITY FUND		
Opening Balance	2,908	7,109
Additions during the period	6,415	2,908
Payments / Utilization during the period	-	(7,109)
Closing Balance	9,323	2,908

Consolidated Condensed Financial Statements
of
Bank Alfalah Limited
&
Subsidiary Companies
for nine months period ended
30 September 2006

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2006

	Note	30 September 2006 (un-audited)	31 December 2005 Restated
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		25,237,859	24,788,625
Balances with other banks		10,745,966	9,716,206
Lendings to financial institutions		10,554,703	27,050,493
Investments	7	67,191,993	56,917,363
Advances	8	133,757,012	118,639,706
Other assets		5,453,770	4,449,794
Operating fixed assets		7,844,795	6,660,158
Deferred tax assets		-	-
		<u>260,786,098</u>	<u>248,222,345</u>
LIABILITIES			
Bills payable		3,877,803	3,733,124
Borrowings from financial institutions		20,300,031	5,844,389
Deposits and other accounts		214,838,736	222,335,585
Sub-ordinated loans		3,222,731	3,223,355
Liabilities against assets subject to finance lease		1,361	1,510
Other liabilities		7,915,336	5,507,817
Deferred tax liabilities		765,794	484,066
		<u>250,921,792</u>	<u>241,129,846</u>
NET ASSETS		<u>9,864,306</u>	<u>7,092,499</u>
REPRESENTED BY			
Share capital		5,000,000	3,000,000
Reserves		2,618,882	2,351,218
Unappropriated profit		1,554,184	973,076
		<u>9,713,066</u>	<u>6,324,294</u>
Minority Interest		36,899	42,142
		<u>9,209,965</u>	<u>6,366,436</u>
Surplus on revaluation of assets - net of deferred tax		654,341	726,063
		<u>9,864,306</u>	<u>7,092,499</u>
CONTINGENCIES AND COMMITMENTS	9		

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Director

Chairman

BANK ALFALAH LIMITED



بنك الفلاح المحدود

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the nine months ended September 30, 2006

	Note	2006		2005	
		Three months period ended 30 Sep 2006	Nine months period ended 30 Sep 2006	Three months period ended 30 Sep 2005	Nine months period ended 30 Sep 2005
----- (Rupees in '000) -----					
Mark-up / return / interest earned		5,478,463	15,540,304	3,570,617	8,200,829
Mark-up / return / interest expensed		(3,749,758)	(11,068,562)	(2,062,329)	(4,330,797)
Net mark-up / return / interest income		1,728,705	4,471,742	1,508,288	3,870,032
Provision against non-performing loans and advances		(167,814)	(467,112)	(98,602)	(266,086)
Gain / (loss) on remeasurement of held of trading investments		58,627	(41,790)	35,613	(13,588)
Bad debts written off directly		(509)	(1,022)	(41)	(325)
		(109,696)	(509,924)	(63,030)	(279,999)
Net mark-up / return / interest income after provisions		1,619,009	3,961,818	1,445,258	3,590,033
Non mark-up / interest income					
Fee, commission and brokerage income		477,501	1,303,862	324,476	810,373
Dividend income		20,724	30,198	16,188	42,330
Income from trading in government securities		-	-	-	-
Income from dealing in foreign currencies		84,263	268,004	83,686	191,886
Other income	10	223,597	781,325	129,878	463,697
Total non-markup / interest income		806,085	2,383,389	554,228	1,508,286
		2,425,094	6,345,207	1,999,486	5,098,319
Non mark-up / interest expense					
Administrative expenses		1,610,098	4,414,661	1,216,234	3,031,354
Other provisions / write-offs		-	-	-	9,673
Other charges		39,557	39,174	32	361
Total non-markup / interest expenses		1,649,655	4,453,835	1,216,266	3,041,388
Extra ordinary / unusual items		-	-	-	-
Share of loss of associated undertaking		(254,612)	(785,764)	-	-
Profit before taxation		520,827	1,105,608	783,220	2,056,931
Taxation					
- Current		122,915	325,772	211,954	607,242
- Prior		-	(45,000)	-	(6,000)
- Deferred		127,470	280,296	62,089	102,811
- Share of tax of associated undertaking		(101,186)	(280,081)	-	-
		149,199	280,987	274,043	704,053
Profit after taxation		371,628	824,621	509,177	1,352,878
Attributable to:					
Shareholder of the bank		373,297	829,864	511,251	1,356,764
Minority interest		(1,669)	(5,243)	(2,074)	(3,886)
		371,628	824,621	509,177	1,352,878
Basic/ Diluted earnings per share	Rupees	0.84	1.87	1.16	3.13

The annexed notes 1 to 12 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 NINE MONTHS ENDED 30 SEPTEMBER 2006

Note	30 September 2006	30 September 2005
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,105,608	2,056,931
Share of Loss of Associates	785,764	-
Less: Dividend income	(30,198)	(42,330)
	<u>1,861,174</u>	<u>2,014,601</u>
Adjustments for non-cash charges		
Depreciation	503,602	334,654
Amortisation - intangible assets	11,899	10,263
Provision against non-performing advances (net off reversals)	467,112	266,086
(Gain) / loss on remeasurement of held for trading investments	41,790	13,588
Bad debts written-off directly	1,022	325
Gain on sale of operating fixed assets	(9,803)	(1,754)
Provision for gratuity	56,811	37,935
	<u>1,072,433</u>	<u>661,097</u>
	<u>2,933,607</u>	<u>2,675,698</u>
(Increase) / decrease in operating assets		
Lending to financial institutions	17,604,582	(7,241,878)
Advances	(15,585,440)	(15,279,694)
Net Investment in held for trading Securities	194,741	(201,661)
Other assets	(822,061)	(523,382)
	<u>1,391,822</u>	<u>(23,246,615)</u>
Increase / (decrease) in operating liabilities		
Bills payable	144,679	1,828,549
Borrowings from financial institutions	14,455,642	(3,165,608)
Deposits	(7,496,849)	42,583,645
Other liabilities	2,350,708	1,895,719
	<u>9,454,180</u>	<u>43,142,305</u>
	<u>13,779,609</u>	<u>22,571,388</u>
Gratuity paid	-	5,000
Income tax paid	(446,365)	(719,153)
Net cash flow from operating activities	<u>13,333,244</u>	<u>21,857,235</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	(27,112,347)	(3,585,689)
Net investment in held-to-maturity securities	16,683,240	(10,222,994)
Investment in associated company	(637,672)	(710,628)
Proceeds from the issue of share capital of a subsidiary company	-	6,000
Dividend received	13,077	35,189
Investments in operating fixed assets	(1,712,878)	(1,941,692)
Sale proceeds of property and equipment disposed-off	22,543	6,386
Net cash flow from investing activities	<u>(12,744,037)</u>	<u>(16,413,428)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital	1,000,000	499,800
Share premium received	1,000,000	499,800
Redemption of sub-ordinated loans	(624)	(370)
Dividend paid	-	(360,000)
Payment against lease obligation	(149)	(765)
Net cash flow from financing activities	<u>1,999,227</u>	<u>638,465</u>
Adjustment of exchange translation reserve	(648)	-
Increase in cash and cash equivalents	<u>2,587,786</u>	<u>6,082,272</u>
Cash and cash equivalents at beginning of the period	<u>35,294,831</u>	<u>22,903,299</u>
Cash and cash equivalents at end of the period	<u>37,882,617</u>	<u>28,985,571</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash and balances with treasury banks	25,237,859	18,307,593
Balances with other banks	10,745,966	9,747,978
Call money lendings	1,898,792	930,000
	<u>37,882,617</u>	<u>28,985,571</u>

The annexed notes 1 to 12 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 NINE MONTHS ENDED 30 SEPTEMBER 2006

	Share Capital	Share Premium	Statutory Reserve	Reserve for Issue of Bonus Share	Exchange Translation Reserve	Unappropriated profit	Sub Total	Minority Interest	TOTAL
	← (Rupees in '000) →								
Balance at January 1, 2005	2,500,000	-	1,008,772	-	-	856,297	4,365,069	41,903	4,406,972
Changes in equity for nine months ended upto 30 September 2005									
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	18,652	18,652	-	18,652
Profit attributable to equity holders of the parent	-	-	-	-	-	1,356,764	1,356,764	-	1,356,764
Loss attributable to minority	-	-	-	-	-	-	-	(3,886)	(3,886)
Total recognized income and expense for the period	-	-	-	-	-	1,375,416	1,375,416	(3,886)	1,371,530
Capital Contribution by Minority	-	-	-	-	-	-	-	6,000	6,000
Transfer to statutory reserve	-	-	272,003	-	-	(272,003)	-	-	-
Issue of Rights shares	500,000	500,000	-	-	-	-	1,000,000	-	1,000,000
Effect of foreign currency translation	-	-	-	-	31	-	31	-	31
Interim dividend @ 12 percent	-	-	-	-	-	(360,000)	(360,000)	-	(360,000)
Balance at September 30, 2005	3,000,000	500,000	1,280,775	-	31	1,599,710	6,380,516	44,017	6,424,533
Changes in equity for three months ended upto 31 December 2005									
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	6,218	6,218	-	6,218
Profit attributable to equity holders of the parent	-	-	-	-	-	(64,436)	(64,436)	-	(64,436)
Loss attributable to minority	-	-	-	-	-	-	-	(1,875)	(1,875)
Total recognized income and expense for the period	-	-	-	-	-	(58,218)	(58,218)	(1,875)	(60,093)
Transfer to statutory reserve	-	-	68,416	-	-	(68,416)	-	-	-
Issue of Rights shares	-	-	-	-	-	-	-	-	-
Effect of foreign currency translation	-	-	-	-	1,996	-	1,996	-	1,996
Transfer to reserve for issue of bonus shares 1 for every 3 shares held	-	(500,000)	-	1,000,000	-	(500,000)	-	-	-
Balance at December, 2005 as previously reported	3,000,000	-	1,349,191	1,000,000	2,027	973,076	6,324,294	42,142	6,366,436
Effect of change in accounting policy with respect to bonus shares declared after balance sheet date	-	500,000	-	(1,000,000)	-	500,000	-	-	-
Balance at December, 2005 as restated	3,000,000	500,000	1,349,191	-	2,027	1,473,076	6,324,294	42,142	6,366,436
Changes in equity for nine months ended upto 30 September 2006									
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	19,556	19,556	-	19,556
Profit attributable to equity holders of the parent	-	-	-	-	-	829,864	829,864	-	829,864
Loss attributable to minority	-	-	-	-	-	-	-	(5,243)	(5,243)
Total recognized income and expense for the period	-	-	-	-	-	849,420	849,420	(5,243)	844,177
Transfer to statutory reserve	-	-	268,312	-	-	(268,312)	-	-	-
Issue of Bonus shares	1,000,000	(500,000)	-	-	-	(500,000)	-	-	-
Issue of right shares	1,000,000	1,000,000	-	-	-	-	2,000,000	-	2,000,000
Effect of foreign currency translation	-	-	-	-	(648)	-	(648)	-	(648)
Balance at September, 2006	5,000,000	1,000,000	1,617,503	-	1,379	1,554,184	9,173,066	36,899	9,209,965

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Director

Chairman

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2006

1. STATUS AND NATURE OF BUSINESS

Bank Alfalah Limited (the Bank) was incorporated in Pakistan on 21 June 1992 as a public limited company under the Companies Ordinance, 1984. It commenced banking operations from 1 November 1992. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and is operating through 150 conventional banking (December 2005: 128) branches and 15 Islamic Banking (December 2005: 15) branches and 5 foreign (December 2005 :4) branches. Its registered office is situated at B.A. Building, I.I. Chundrigar Road, Karachi.

The Bank has invested in 76 percent (December 2005: 76 percent) shares of Alfalah Securities (Private) Limited. The principal objective of the company is to undertake the business of a brokerage house. Alfalah Securities (Private) Limited was incorporated on September 23, 2003 with registered office in Karachi, Pakistan. The company obtained corporate membership from Karachi Stock Exchange (Guarantee) Limited on November 24, 2003.

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

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

2. DISCONTINUING OPERATION

On 28 October 2005 the Board of Directors of the Bank approved a plan to segregate its business of Islamic Banking into a separate entity. The segregation reflects Bank's plan to remain competitive with ever increasing competition in the local market and become the premier Islamic bank. Resultantly, in order to achieve this objective the Board feels that the Islamic Banking Division should be converted into a wholly owned subsidiary of the Bank. As of 30 September 2006 the Islamic Banking Division's assets were Rs. 19,465 million and its liabilities were Rs. 17,990 million.

During the period ended 30 September 2006, Islamic Banking Division earned revenue of Rs. 992.406 million, incurred expenses of Rs. 844.833 million and earned a pre-tax profit of Rs. 147.573 million with a related tax expense (including current and deferred tax) of Rs. 43.298 million. During the period ended 30 September 2006, Islamic Banking Division's cash inflow from operating activities was Rs. 1,799.862 million, cash outflow from investing activities was Rs. 498.875 million, and cash inflow from financing activities was Rs. Nil.

3. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with the Approved Accounting Standards and the requirements of the Companies Ordinance, 1984 and the Banking Companies Ordinance, 1962. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or directives issued by the

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

Securities and Exchange Commission of Pakistan and the State Bank of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or the requirements of the said directives take precedence.

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES

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

5. ESTIMATES AND ASSUMPTIONS

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

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

6. FINANCIAL RISK MANAGEMENT

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

7. INVESTMENTS

7.1 Investments by types

	30 September 2006 (un-audited)			31 December 2005		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
	(Rupees in '000)					
Held for trading securities	525,285	-	525,285	720,026	-	720,026
Available for sale securities	20,896,188	15,188,663	36,084,851	8,971,643	-	8,971,643
Held to maturity securities	29,027,800	-	29,027,800	45,455,713	255,327	45,711,040
	50,449,273	15,188,663	65,637,936	55,147,382	255,327	55,402,709
Associates	1,675,558	-	1,675,558	1,543,631	-	1,543,631
	52,124,831	15,188,663	67,313,494	56,691,013	255,327	56,946,340
(Loss) / Gain on remeasurement of held for trading investments	(20,779)	-	(20,779)	21,011	-	21,011
(Deficit) / surplus on revaluation of available for sale securities	(246,889)	146,167	(100,722)	(49,988)	-	(49,988)
	51,857,163	15,334,830	67,191,993	56,662,036	255,327	56,917,363

8. ADVANCES

Loans, cash credits, running finances etc.

	30 September 2006 (un-audited)	31 December 2005
- in Pakistan	112,638,240	99,610,701
- outside Pakistan	2,500,297	1,361,725

Net investment in finance lease / Ijara Financing

- in Pakistan	13,956,599	12,149,319
- outside Pakistan	-	-
	13,956,599	12,149,319

Bills discounted and purchased (excluding treasury bills)

- Payable in Pakistan	1,940,835	2,222,723
- Payable outside Pakistan	4,726,421	4,848,219
	6,667,256	7,070,942

Provision for non-performing advances - Specific

	135,762,392	120,192,687
	(966,164)	(707,369)

Provision for non-performing advances - General

	(1,039,216)	(845,612)
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8.1

	133,757,012	118,639,706
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NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

8.1 This represents advances of Bangladesh and Afghanistan Branches amounting to Rs.2,755.174 Million and Rs.15.065 million respectively

8.2 Advances include Rs.1.932 billion (2005: Rs.1.06 billion) which have been placed under non-performing status.

8.3 Category of classification

	Domestic	Overseas	Total	Provision Required		Provision held	
				Specific	General	Specific	General
(Rupees in '000)							
Other Assets Especially							
Mentioned (Agri Financing)	66,916	-	66,916	-	-	-	-
Substandard	552,589	-	552,589	82,386		82,386	
Doubtful	149,866	-	149,866	57,710		57,710	
Loss	1,124,047	38,599	1,162,646	826,068		826,068	
	<u>1,893,418</u>	<u>38,599</u>	<u>1,932,017</u>	<u>966,164</u>	<u>948,571</u>	<u>966,164</u>	<u>1,039,216</u>

9 CONTINGENCIES AND COMMITMENTS

30 September
200631 December
2005

(un-audited)

(Rupees in '000)

9.1 Direct credit substitutes

Contingent liability in respect of guarantees given favouring:

- Government	890,525	964,712
- Banking companies and other financial institutions	39,673	44,214
- Others	983,221	975,229
	<u>1,913,419</u>	<u>1,984,155</u>

9.2 Transaction-related contingent liabilities

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

- Government	10,069,224	8,957,823
- Banking companies and other financial institutions	113,374	662,917
- Others	7,473,783	5,004,954
	<u>17,656,381</u>	<u>14,625,694</u>

9.3 Trade-related contingent liabilities

Letters of credit	22,054,263	20,490,078
Acceptances	7,198,159	4,814,441



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

	30 September 2006 (un-audited) (Rupees in '000)	31 December 2005
9.4 Other contingencies		
Claims against the Banks not acknowledged as debt	542,756	540,749
9.5 Commitments in respect of forward lending		
Forward call lending	-	-
Forward repurchase agreement lending	-	-
Commitments to extend credit	5,571,000	2,046,000
Others	-	-
9.6 Commitments in respect of forward exchange contracts		
Purchase	2,300,984	3,195,895
Sale	3,036,078	4,683,657
9.7 Commitments for the acquisition of operating fixed assets and intangibles	168,798	122,942
9.8 Commitments in respect repo transactions		
Repurchase	15,442,055	206,743
Resale	8,677,055	26,457,918

10 OTHER INCOME

	2006 (un-audited)		2005 (un-audited)	
	Three months period ended 30 Sep 2006	Nine months period ended 30 Sep 2006	Three months period ended 30 Sep 2005	Nine months period ended 30 Sep 2005
	------(Rupees in '000)-----			
Net profit on sale of property and equipment	8,284	9,803	570	1,754
Gain / (loss) on sale of shares / certificates / units - net	330	203,809	3,449	149,894
Loss on sale of Government Securities	-	(1,410)	7,444	7,444
Postage, telex, service charges etc	214,983	569,123	118,415	304,605
	<u>223,597</u>	<u>781,325</u>	<u>129,878</u>	<u>463,697</u>

10.1 This includes other income of Rs. 29.007 million (September 2005: Rs.21.637 million) of Islamic Banking Division.



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

11 RELATED PARTY TRANSACTIONS

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

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

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

Details of transactions with related parties and balances with them excluding those entered into with 'directors/ executives as per their terms of employment as at the period-end were as follows:

	30 September 2006 (un-audited)	31 December 2005
	(Rupees in '000)	
11.1 Financing		
With associated company		
Balance at beginning of the period	31,969	-
Disbursements during the period	4,093,952	34,559
Repayments during the period	(1,015,386)	(2,590)
Balance at the end of the period	<u>3,110,535</u>	<u>31,969</u>
With other related party		
Balance at beginning of the period	200,000	-
Disbursements during the period	6,120	200,000
Repayments during the period	(6,120)	-
Balance at the end of the period	<u>200,000</u>	<u>200,000</u>
11.2 Deposits		
With associated companies		
Balance at beginning of the period	657,989	-
Placement during the period	24,912,081	12,040,037
Withdrawal during the period	(24,911,643)	(11,382,048)
Balance at the end of the period	<u>658,427</u>	<u>657,989</u>

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

	30 September 2006 (un-audited) (Rupees in '000)	31 December 2005 (un-audited) (Rupees in '000)
With other related parties		
Balance at beginning of the period	16,758	9,897
Placement during the period	2,528,869	2,928,740
Withdrawal during the period	(2,531,926)	(2,921,879)
Balance at the end of the period	<u>13,701</u>	<u>16,758</u>
11.3 With associated company		
Commission Income from Warid Telecom (Private) Ltd	<u>55,375</u>	<u>-</u>
11.4 The Key Management Personal / Directors Compensation are as follows:		
Salaries and benefits - Parent Company	<u>183,080</u>	<u>110,333</u>
Salaries and benefits - Subsidiary Companies	<u>10,850</u>	<u>6,774</u>

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

12 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 18, 2006 by the Board of Directors of the Bank.

Chief Executive Officer

Director

Director

Chairman

BANK ALFALAH LIMITED**ISLAMIC BANKING DIVISION**

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

	30 September 2006	31 December 2005
	(Rupees in '000)	
ASSETS		
Cash and balances with treasury banks	2,683,014	2,502,913
Balances with and Due from Financial Institutions	3,128,703	2,007,817
Investments	574,275	97,973
Financing and Receivables		
-Murahaba	2,425,913	2,191,028
-Ijara	6,690,962	5,368,691
-Musharaka	153,510	97,173
-Diminishing Musharaka	2,306,455	1,905,182
-Salam	69,290	-
-Other Islamic Modes	95,010	554,649
Other assets	1,337,999	594,256
Total Assets	19,465,131	15,319,682
LIABILITIES		
Bills payable	158,844	254,085
Due to Financial Institutions	-	5,000
Deposits and other accounts		
-Current Accounts	4,885,347	4,477,525
-Saving Accounts	3,483,465	2,984,505
-Term Deposits	5,512,381	3,996,656
-Others	200,992	87,434
-Deposit from Financial Institutions -Remunerative	1,450,299	925,612
-Deposits from Financial Institutions-Non-Remunerative	-	-
Due to Head Office	-	-
Other liabilities	2,298,471	1,269,103
	17,989,799	13,999,920
NET ASSETS	1,475,332	1,319,762
REPRESENTED BY		
Share Capital / Head Office capital account	1,200,000	1,200,000
Funds provided in current account	23,542	23,542
Unappropriated / Unremitted profit	166,823	19,250
	1,390,365	1,242,792
Surplus / (Deficit) on revaluation of assets	84,967	76,970
	1,475,332	1,319,762
Remuneration to Shariah Advisor / Board	236	1,196
CHARITY FUND		
Opening Balance	2,908	7,109
Additions during the period	6,415	2,908
Payments / Utilization during the period	-	(7,109)
Closing Balance	9,323	2,908

BRANCH NETWORK

KARACHI

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



BRANCH NETWORK

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

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

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

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

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

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

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

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

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

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

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

HYDERABAD

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

SUKKUR

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

NAWABSHAH

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

QUETTA

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

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

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

CHAMAN

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

GAWADAR

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

MIRPURKHAH

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



BRANCH NETWORK

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Urdu Bazar Branch
Main Kabir Street
Phone : (042) 7210644 Fax : 7210647

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

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

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

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

ISLAMABAD

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

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

BRANCH NETWORK

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) 5566084-6 Fax : 5584213, 5567462

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

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

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

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

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

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

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

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

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

PESHAWAR

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

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

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

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

BRANCH NETWORK

ATTOCK

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

HUNGU

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

MULTAN

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

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

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

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

SIALKOT

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

RAHIM YAR KHAN

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

GUJRANWALA

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

SAHIWAL

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

SARGODHA

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

GUJRAT

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

MARDAN

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

BAHAWALPUR

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

CHINIOT

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

DASKA

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

HAFIZABAD

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

CHICHAWATNI

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

ARIFWALA

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

PAKPATTAN

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

DERA GHAZI KHAN

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

MINGORA, SWAT

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



BRANCH NETWORK

JHELUM

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

MIAN CHANNU

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

SHEIKHUPURA

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

DERA ISMAIL KHAN

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

OKARA

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

ABBOTTABAD

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

JHANG

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

TOBA TEK SINGH

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

BUREWALA

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

KOHAT

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

SADIQABAD

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

MANDI BAHAUDDIN

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

LALA MUSA

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

AHMEDPUR EAST BRANCH

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

DAHARKI

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

GHOTKI

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

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



BRANCH NETWORK

BHALWAL

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

KASUR

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

MANSEHRA

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

BANNU

Gowshala Road, Fatima Khel
Phone : (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

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

ISLAMIC BANKING BRANCHES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



BRANCH NETWORK

OVERSEAS BRANCH

BANGLA DESH

DHAKA

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

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

CHITTAGONG

Agrabad Branch
57, Agrabad, Chittagong, Bangla Desh

AFGHANISTAN

KABUL

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

HERAT

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