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## 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. Mohammad Saleem Akhtar	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. 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. Shad Quraeshi	Secretary

## CORPORATE INFORMATION

### 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
Mr. Ashfaq A. Qureshi	Secretary

### Chief Operating Officer

Mr. Sirajuddin Aziz

### 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](http://www.bankalfalah.com)

## DIRECTORS' REVIEW

The Board of Directors is pleased to present the un-audited financial statements of the Bank for the three months ended March 31, 2007.

	Three-months ended March 2007	Three-months ended March 2006
<b>Profit before provisions and Taxation</b>	<b>1,190,302</b>	681,053
Provisions	(223,208)	(169,052)
Profit before Taxation	<u>967,094</u>	<u>512,001</u>
Taxation	(305,560)	(124,862)
<b>Profit After Taxation</b>	<b><u>661,534</u></b>	<b><u>387,139</u></b>
Earnings per share	<b>Rs. 1.02</b>	Rs. 0.60

During the three months ended the Bank's profit before provision and taxation stood at Rs. 1,190.302 million as compared to Rs.681.053 million for the previous comparable period, registering an increase of 74.77%.

In compliance with the current prudential regulations on consumer banking, your Bank has created general provisions amounting to Rs.43.865 million against the consumer portfolio, for the three months period ended March 2007. 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 March 31, 2007, we are operating through 195 branches that include 23 Islamic Banking branches and five foreign branches in Bangladesh and Afghanistan and one Wholesale banking unit in Bahrain. Our plan is to add more branches to the network during the year 2007.

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

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

**MOHAMMAD SALEEM AKHTAR**  
Director & Chief Executive Officer

Date: April 25, 2007  
Place: Abu Dhabi

**CONDENSED INTERIM BALANCE SHEET**  
AS AT MARCH 31, 2007

	Note	31 March 2007 (un-audited)	31 December 2006
<b>(Rupees in '000)</b>			
<b>ASSETS</b>			
Cash and balances with treasury banks		25,685,314	27,859,360
Balances with other banks		12,675,161	12,731,952
Lendings to financial institutions		7,312,524	12,456,653
Investments	7	53,299,844	56,502,210
Advances	8	149,093,985	149,999,325
Operating fixed assets		10,650,317	10,502,990
Deferred tax assets		-	-
Other assets		5,967,980	5,633,051
		<u>264,685,125</u>	<u>275,685,541</u>
<b>LIABILITIES</b>			
Bills payable		3,322,209	3,091,135
Borrowings		7,614,880	8,394,130
Deposits and other accounts		227,616,526	239,509,391
Sub-ordinated loans		3,222,106	3,222,106
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		1,694,624	1,921,338
Other liabilities		7,848,098	7,305,496
		<u>251,318,443</u>	<u>263,443,596</u>
<b>NET ASSETS</b>		<u>13,366,682</u>	<u>12,241,945</u>
<b>REPRESENTED BY</b>			
Share capital		6,500,000	5,000,000
Reserves		1,881,276	2,749,533
Unappropriated profit		2,858,445	2,823,072
		<u>11,239,721</u>	<u>10,572,605</u>
Surplus on revaluation of assets - net of deferred tax		2,126,961	1,669,340
		<u>13,366,682</u>	<u>12,241,945</u>

**CONTINGENCIES AND COMMITMENTS** 9

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

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

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Director

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Director

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Chairman

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2007**

	<i>Note</i>	<u>2007</u> Three months period ended 31 March 2007	<u>2006</u> Three months period ended 31 March 2006
		(Rupees in '000)	
Mark-up / Return / Interest Earned		5,798,804	4,856,868
Mark-up / Return / Interest Expensed		(3,821,560)	(3,625,658)
Net Mark-up / Interest Income		1,977,244	1,231,210
Provision against non-performing loans and advances		(223,208)	(169,052)
Provision for diminution in value of investments		-	-
Bad debts written off directly		(603)	(270)
		(223,811)	(169,322)
Net Mark-up / Interest Income after provisions		1,753,433	1,061,888
<b>Non mark-up / interest income</b>			
Fee, commission and brokerage income		540,978	382,384
Dividend income		2,567	4,903
Income from dealing in foreign currencies		94,955	89,730
Gain on sale of securities		139,223	168,131
Unrealized gain / (loss) on revaluation of investment classified as held for trading		2,406	(25,056)
Other income	10	221,561	156,917
Total Non-Markup / Interest Income		1,001,690	777,009
		2,755,123	1,838,897
<b>Non Mark-up / Interest Expenses</b>			
Administrative expenses		1,787,988	1,326,896
Other provisions / write-offs		-	-
Other charges		41	-
Total Non-Markup / Interest Expenses		1,788,029	1,326,896
		967,094	512,001
Extra ordinary / unusual items		-	-
<b>Profit Before Taxation</b>		967,094	512,001
<b>Taxation</b>			
- Current		92,123	112,907
- Prior years		-	-
- Deferred		213,437	11,955
		305,560	124,862
<b>Profit After Taxation</b>		661,534	387,139
<b>Basic/ Diluted earnings per share</b>	Rupees	1.02	0.60

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

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

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**Director**

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**Director**

\_\_\_\_\_  
**Chairman**

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2007**

	<b>31 March 2007</b>	<b>31 March 2006</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	967,094	512,001
Less: Dividend income	(2,567)	(4,903)
	964,527	507,098
<b>Adjustments:</b>		
Depreciation	234,813	151,852
Amortisation	5,063	3,581
Provision against non-performing advances	223,208	169,052
Unrealized (gain) / loss on revaluation of investments classified as held for trading	(2,406)	25,056
Bad debts written-off directly	603	270
(Gain) on sale of operating fixed assets	(1,119)	(911)
Provision for gratuity	23,334	16,632
	483,496	365,532
	1,448,023	872,630
<b>(Increase) / Decrease in operating assets</b>		
Lending to financial institutions	4,172,812	21,524,343
Held-for-trading securities	620,310	337,362
Advances	681,529	(5,629,431)
Other assets - net of provision against other assets	(118,064)	(516,423)
	5,356,587	15,715,851
<b>Increase / (Decrease) in operating liabilities</b>		
Bills payable	231,074	(333,346)
Borrowings	(779,250)	15,507,793
Deposits and other accounts	(11,892,865)	(13,152,139)
Other liabilities	519,268	828,615
	(11,921,773)	2,850,923
	(5,117,163)	19,439,404
Income tax paid	(307,480)	(125,414)
Net cash flow from operating activities	(5,424,643)	19,313,990
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	5,097,715	(13,695,290)
Net investments in held-to-maturity securities	(1,321,895)	(9,075,533)
Investments in associated companies	(1,167,743)	(570,186)
Investments in subsidiary companies	-	-
Dividend income received	1,060	60
Investment in operating fixed assets	(389,327)	(779,230)
Proceeds from sale of operating fixed assets	3,243	2,976
Net cash flow from investing activities	2,223,053	(24,117,203)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net cash flow from financing activities	-	-
Effects of exchange rates changes in cash and cash equivalents	(564)	(2,119)
<b>Decrease in cash and cash equivalents</b>	(3,202,154)	(4,805,332)
Cash and cash equivalents at beginning of the period	43,181,100	35,291,994
Cash and cash equivalents at end of the period	39,978,946	30,486,662

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

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

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**Director**

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**Director**

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**Chairman**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE THREE MONTHS ENDED 31 MARCH 2007**

	Share Capital	Share Premium	Statutory Reserve	Reserve for Issue of Bonus Share	Exchange Translation Reserve	Unappropriated profit	TOTAL
	(Rupees in '000)						
<b>Balance at January 1, 2006</b>	3,000,000	500,000	1,349,191	-	2,027	1,886,845	6,738,063
Transfer to reserve for issue of bonus shares	-	(500,000)	-	1,000,000	-	(500,000)	-
Changes in equity for three months ended upto 31 March 2006							
Transfer from surplus on revaluation of fixed asset - net of tax	-	-	-	-	-	6,518	6,518
Exchange differences on translation of net investment in foreign branches	-	-	-	-	(2,119)	-	(2,119)
Profit for the period	-	-	-	-	-	387,139	387,139
Total recognized income and expense for the period	-	-	-	-	(2,119)	393,657	391,538
Transfer to statutory reserve	-	-	77,428	-	-	(77,428)	-
Issue of Bonus shares	1,000,000	-	-	(1,000,000)	-	-	-
<b>Balance at March 31, 2006</b>	<b>4,000,000</b>	<b>-</b>	<b>1,426,619</b>	<b>-</b>	<b>(92)</b>	<b>1,703,074</b>	<b>7,129,601</b>
Changes in equity for nine months ended upto 31 December 2006							
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	19,556	19,556
Exchange differences on translation of net investment in foreign branches	-	-	-	-	47,896	-	47,896
Profit for the period	-	-	-	-	-	1,375,552	1,375,552
Total recognized income and expense for the period	-	-	-	-	47,896	1,395,108	1,443,004
Transfer to statutory reserve	-	-	275,110	-	-	(275,110)	-
Issue of Right shares	1,000,000	1,000,000	-	-	-	-	2,000,000
<b>Balance at December, 2006</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 three months ended upto 31 March 2007							
Transfer from surplus on revaluation on fixed assets - net of tax	-	-	-	-	-	6,146	6,146
Exchange differences on translation of net investment in foreign branches	-	-	-	-	(564)	-	(564)
Profit for the period	-	-	-	-	-	661,534	661,534
Total recognized income and expense for the period	-	-	-	-	(564)	667,680	667,116
Transfer to statutory reserve	-	-	132,307	-	-	(132,307)	-
Issue of bonus shares	1,500,000	(1,000,000)	-	-	-	(500,000)	-
<b>Balance at March 31, 2007</b>	<b>6,500,000</b>	<b>-</b>	<b>1,834,036</b>	<b>-</b>	<b>47,240</b>	<b>2,858,445</b>	<b>11,239,721</b>

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 THREE MONTHS ENDED 31 MARCH 2007**

**1. STATUS AND NATURE OF BUSINESS**

Bank Alfalah Limited 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 1, 1992. The Bank's registered office is at B.A. Building, I.I. Chundrigar Road, Karachi and is listed on the Karachi and Lahore Stock Exchanges. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and is operating through 166 conventional banking branches (December 2006: 166 branches) 5 overseas branches (December 2006: 5 branches), 23 Islamic banking branches (December 2006: 23 branches) and 1 offshore banking unit (December 2006: 1)

**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 31 March 2007 the Islamic Banking Division's assets were Rs.22.753 billion and its liabilities were Rs.20.880 billion.

During the period ended 31 March 2007, Islamic Banking Division earned revenue of Rs.442.743 million, incurred expenses of Rs.408.956 million and earned a pre-tax profit of Rs.33.787 million with a related tax expense (including current and deferred tax) of Rs.11.825 million. During the period ended 31 March 2007, Islamic Banking Division's cash outflow from operating activities was Rs.544.575 million, cash outflow from investing activities was Rs.294.804 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 approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962, directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. 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, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or the requirements of the said directives take precedence.

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

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

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 2006.

The 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 2006,

### 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 2006.

### 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 2006.

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

### 7 INVESTMENTS

#### 7.1 Investments by types

Note	31 March 2007 (un-audited)			31 December 2006		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
	-----Rupees in '000-----					
Held for trading securities	219,667	-	219,667	839,977	-	839,977
Available for sale securities	19,996,486	465,502	20,461,988	23,878,490	1,681,213	25,559,703
Held to maturity securities	29,356,299	-	29,356,299	28,034,404	-	28,034,404
	<u>49,572,452</u>	<u>465,502</u>	<u>50,037,954</u>	<u>52,752,871</u>	<u>1,681,213</u>	<u>54,434,084</u>
Associates	3,754,207	-	3,754,207	2,586,464	-	2,586,464
Subsidiaries	132,000	-	132,000	132,000	-	132,000
Investment at cost	<u>53,458,659</u>	<u>465,502</u>	<u>53,924,161</u>	<u>55,471,335</u>	<u>1,681,213</u>	<u>57,152,548</u>
Less: Provision for diminution in value of investmetn	-	-	-	-	-	-
Investments (net of provisions)	<u>53,458,659</u>	<u>465,502</u>	<u>53,924,161</u>	<u>55,471,335</u>	<u>1,681,213</u>	<u>57,152,548</u>
(Deficit) on revaluation of held-for-trading securities	(4,195)	-	(4,195)	(6,601)	-	(6,601)
(Deficit) on revaluation of available for sale securities	(40,381)	(368)	(40,749)	(63,548)	(816)	(64,364)
(Deficit) on revaluation of securities - associate	(579,373)	-	(579,373)	(579,373)	-	(579,373)
Total investments at market value	<u>52,834,710</u>	<u>465,134</u>	<u>53,299,844</u>	<u>54,821,813</u>	<u>1,680,397</u>	<u>56,502,210</u>

*Note*      **31 March 2007**      31 December 2006  
(un-audited)  
(Rupees in '000)

### 8 ADVANCES

Loans, cash credits, running finances etc.		
- in Pakistan	127,191,929	128,054,207
- outside Pakistan	3,802,351	3,552,842
Net investment in finance lease		
- in Pakistan	14,480,332	14,289,817
- outside Pakistan	-	-
	<u>14,480,332</u>	<u>14,289,817</u>
Bills discounted and purchased (excluding treasury bills)		
- Payable in Pakistan	1,926,805	1,687,954
- Payable outside Pakistan	4,145,671	4,650,961
	<u>6,072,476</u>	<u>6,338,915</u>
	<u>151,547,088</u>	<u>152,235,781</u>
Provision for non-performing advances - Specific	(1,348,229)	(1,175,568)
Provision for non-performing advances - General	(1,104,874)	(1,060,888)
8.1	<u>149,093,985</u>	<u>149,999,325</u>

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

8.1 Advances include Rs.2.81 billion (2006: Rs.2.31 billion) which have been placed under non-performing status as detailed below.

Category of classification	Domestic	Overseas	Total	Provision Required		Provision held	
				Specific	General	Specific	General
(Rupees in '000)							
Other Assets Especially Mentioned (Agri Financing)	52,384	-	52,384	-	-	-	-
Substandard	826,695	-	826,695	132,719	-	132,719	-
Doubtful	543,758	-	543,758	145,967	-	145,967	-
Loss	1,342,824	45,817	1,388,641	1,069,543	-	1,069,543	-
	<u>2,765,661</u>	<u>45,817</u>	<u>2,811,478</u>	<u>1,348,229</u>	<u>1,014,229</u>	<u>1,348,229</u>	<u>1,104,874</u>

31 March  
2007

(un-audited)

(Rupees in '000)

31 December  
2006

## 9 CONTINGENCIES AND COMMITMENTS

### 9.1 Direct credit substitutes

i) Government	1,005,548	1,060,022
ii) Banking companies and other financial institutions	51,587	50,077
iii) Others	2,809,466	1,607,806
	<u>3,866,601</u>	<u>2,717,905</u>

### 9.2 Transaction-related contingent liabilities

i) Government	11,348,159	11,477,550
ii) Banking companies and other financial institutions	342,938	617,392
iii) Others	7,772,849	5,603,788
	<u>19,463,946</u>	<u>17,698,730</u>

### 9.3 Trade-related contingent liabilities

Letters of credit	28,863,716	27,080,933
Acceptances	5,250,638	5,261,893

### 9.4 Other contingencies

Claims against the Banks not acknowledged as debt	641,442	643,384
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### 9.5 Commitments in respect of forward lending

Forward repurchase agreement lending	984,267	922,102
Commitments to extend credit	6,232,520	6,106,000

### 9.6 Commitments in respect of forward exchange contracts

Purchase	4,333,248	4,331,315
Sale	4,190,088	4,821,648

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

	31 March 2007 (un-audited) (Rupees in '000)	31 December 2006
9.7 Commitments for the acquisition of operating fixed assets and intangibles	465,454	520,565
9.8 Commitments in respect repo transactions		
Repurchase	917,577	1,777,650
Resale	5,681,933	9,924,099
	<u>2007</u> Three months period ended 31 March 2007 (un-audited) (Rupees in '000)	<u>2006</u> Three months period ended 31 March 2006
10 OTHER INCOME		
Net profit on sale of property and equipment	1,119	911
Postage, telex, swift charges etc.	<u>220,442</u>	<u>156,006</u>
	<u>221,561</u>	<u>156,917</u>

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 major shareholders, associated companies with or without common directors, retirement benefit funds and directors and key management personnel and their close family members.

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

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

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

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

	31 March 2007 (Un-audited)						Total
	Directors	Key Management Personnel	Group Companies	Associates	Subsidiaries	Others	
	(Rupees in '000)						
<b>11.1 Deposits</b>							
Balance at the beginning of the period	3,905	20,467	16,095	1,047,226	7,142	6	1,094,841
Placements during the period	8,434	43,406	516,950	14,094,347	149,920	-	14,813,057
Withdrawals during the period	(1,603)	(34,303)	(530,281)	(13,725,675)	(120,444)	-	(14,412,306)
Balance at end of the period	<u>10,736</u>	<u>29,570</u>	<u>2,764</u>	<u>1,415,898</u>	<u>36,618</u>	<u>6</u>	<u>1,495,592</u>
<b>11.2 Financing</b>							
Balance at the beginning of the period	-	59,043	-	3,100,908	97,121	183,333	3,440,405
Disbursement during the period	-	104,435	-	-	7,243,654	-	7,348,089
Repayment during the period	-	(101,038)	-	(2,390)	(7,325,755)	(50,000)	(7,479,183)
Balance at the end of the period	<u>-</u>	<u>62,440</u>	<u>-</u>	<u>3,098,518</u>	<u>15,020</u>	<u>133,333</u>	<u>3,309,311</u>
<b>11.3 Investments</b>							
Balance at the beginning of the period	-	-	349,580	2,586,464	132,000	120,000	3,188,044
Investment during the period	-	-	-	1,167,742	-	-	1,167,742
Withdrawals during the period	-	-	(347,721)	-	-	-	(347,721)
Balance at the end of the period	<u>-</u>	<u>-</u>	<u>1,859</u>	<u>3,754,206</u>	<u>132,000</u>	<u>120,000</u>	<u>4,008,065</u>
<b>11.4 Call Borrowings</b>							
Balance at the beginning of the period	-	-	-	-	-	-	-
Placements during the period	-	-	9,983,308	-	-	-	9,983,308
Withdrawals during the period	-	-	(9,983,308)	-	-	-	(9,983,308)
Balance at end of the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>11.5 Call Lendings</b>							
Balance at the beginning of the period	-	-	920,644	-	-	-	920,644
Placements during the period	-	-	6,844,031	-	-	-	6,844,031
Withdrawals during the period	-	-	(7,150,121)	-	-	-	(7,150,121)
Balance at end of the period	<u>-</u>	<u>-</u>	<u>614,554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>614,554</u>

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

	31 March 2007 (un-audited)	31 December 2006
	(Rupees in '000)	
<b>11.6 Financing</b>		
<b>Running Finance</b>		
- Subsidiary Company	4,131	85,306
- Other Related Parties	3,098,518	3,100,908
<b>Long term loans</b>		
- Subsidiary Company	10,889	11,815
- Other Related Parties	195,773	242,376
<b>11.7 Contingencies and commitments</b>		
Letter of credit and acceptance issued	18,391	157,048
Guarantees issued	46,200	169,200
<b>11.8 Customer accounts</b>		
<b>PLS accounts</b>		
- Subsidiary Company	33,866	5,750
- Other Related Parties	1,023,756	390,387
<b>Current accounts</b>		
- Subsidiary Company	2,752	1,392
- Other Related Parties	135,936	112,750
<b>Fixed deposit accounts</b>		
- Subsidiary Company	-	-
- Other Related Parties	299,282	584,562
<b>11.9 With subsidiary companies</b>		
	31 March 2007	31 March 2006
	(Un-audited)	
	(Rupees in '000)	
Brokerage expense	399	1,274
Mark-up income	2,778	4,784
Mark-up expense	538	-
Rent income	1,201	822
Finance lease income	149	84
Lease rentals	1,127	803
Lease disbursed during the year to subsidiary companies	5,953	-
Contributions to employee provident fund	23,243	15,266
Receivable against trade of marketable securities	4	56,189
Receivable against others	761	-
Bank balance held with Bank Alfalah Limited	7,622	-
Security deposit	1,138	276
Bank charges recoverd	44	50

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

	31 March 2007	31 March 2006
	(Un-audited) (Rupees in '000)	
<b>11.10 With associated companies</b>		
Insurance Premium paid to Alfalah Insurance Limited	45,750	-
Mark-up income on advances	89,143	12,302
<b>11.11 The Key Management Personal / Directors compensation are as follows:</b>		
Salaries & benefits	56,756	44,898
In addition the chief executive and other executive officers are provided with bank maintained car.		

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

11.12.1 Loans and advances

	31 December 2006	Disbursement	Repayment	31 March 2007
	-----Rupees in '000-----			
Running Finance	3,186,214	7,243,654	7,327,219	3,102,649
Long term loan	254,191	104,435	151,964	206,662
	<u>3,440,405</u>	<u>7,348,089</u>	<u>7,479,183</u>	<u>3,309,311</u>

11.12.2 Contingencies and commitments

	31 December 2006	Additional Facilities	Settlements	31 March 2007
	-----Rupees in '000-----			
Letters of credit and acceptances	157,048	-	138,657	18,391
Guarantees	169,200	-	123,000	46,200

11.12.3 Customer Deposit accounts

	31 December 2006	Deposits	Withdrawals	31 March 2007
	-----Rupees in '000-----			
PLS accounts	396,137	5,613,110	4,951,625	1,057,622
Current accounts	114,142	9,113,998	9,089,452	138,688
Fixed deposit accounts	584,562	85,948	371,228	299,282
	<u>1,094,841</u>	<u>14,813,056</u>	<u>14,412,305</u>	<u>1,495,592</u>

12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 25, 2007 by the Board of Directors.

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

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chairman

## ISLAMIC BANKING DIVISION

The bank is operating 23 Islamic banking branches as at 31 March 2007  
(23 Islamic banking branches as at 31 December 2006).

	31 March 2007	31 December 2006
	(Rupees in '000)	
<b>ASSETS</b>		
Cash and balances with treasury banks	3,402,459	3,210,942
Balances with and Due from Financial Institutions	3,600,550	4,631,442
Investments	1,032,944	833,203
Financing and Receivables		
-Murahaba	2,636,992	2,979,948
-Ijara	6,998,829	6,869,769
-Musharaka	270,892	293,656
-Diminishing Musharaka	2,415,872	2,371,423
-Salam	158,298	100,000
-Other Islamic Modes	186,733	210,834
Other assets	2,049,095	1,995,042
<b>Total Assets</b>	<b>22,752,664</b>	<b>23,496,259</b>
<b>LIABILITIES</b>		
Bills payable	234,133	165,580
Due to Financial Institutions	60,000	-
Deposits and other accounts	-	-
-Current Accounts	4,476,584	5,057,425
-Saving Accounts	4,243,647	3,701,738
-Term Deposits	5,872,431	6,808,727
-Others	156,335	116,796
-Deposit from Financial Institutions -Remunerative	3,275,330	3,275,330
-Deposits from Financial Institutions-Non-Remunerative	-	-
Due to Head Office	-	-
Deferred Tax Liabilities	253,457	215,936
Other liabilities	2,308,284	2,280,394
	<u>20,880,201</u>	<u>21,621,926</u>
<b>NET ASSETS</b>	<b>1,872,463</b>	<b>1,874,333</b>
<b>REPRESENTED BY</b>		
Islamic Banking Fund	1,200,000	1,200,000
Reserves	-	-
Unappropriated profit	224,415	190,586
	<u>1,424,415</u>	<u>1,390,586</u>
Surplus on revaluation of assets	448,048	483,747
	<u>1,872,463</u>	<u>1,874,333</u>
<b>Remuneration to Shariah Advisor / Board</b>	-	1,019
<b>CHARITY FUND</b>		
Opening Balance	16,611	2,908
Additions during the period	4,306	13,703
Payments / Utilization during the period	-	-
Closing Balance	<u>20,917</u>	<u>16,611</u>

Consolidated Financial Statements  
of  
Bank Alfalah Limited  
and  
Subsidiary Companies  
for the three months ended  
March 31, 2007



**CONSOLIDATED CONDENSED INTERIM BALANCE SHEET**  
**AS AT MARCH 31, 2007**

	Note	31 March 2007 (un-audited)	31 December 2006
<b>(Rupees in '000)</b>			
<b>ASSETS</b>			
Cash and balances with treasury banks		25,685,314	27,859,360
Balances with other banks		12,681,044	12,735,607
Lendings to financial institutions		7,312,524	12,456,653
Investments	7	52,904,980	56,128,577
Advances	8	149,079,343	149,942,717
Operating fixed assets		10,731,634	10,548,441
Deferred tax assets		-	-
Other assets		6,345,842	5,840,128
		<u>264,740,681</u>	<u>275,511,483</u>
<b>LIABILITIES</b>			
Bills payable		3,322,209	3,091,135
Borrowings		7,789,880	8,408,327
Deposits and other accounts		227,581,035	239,480,772
Sub-ordinated loans		3,222,106	3,222,106
Liabilities against assets subject to finance lease		6,028	1,137
Deferred tax liabilities		1,897,404	2,124,118
Other liabilities		7,992,795	7,356,679
		<u>251,811,457</u>	<u>263,684,274</u>
<b>NET ASSETS</b>		<u>12,929,224</u>	<u>11,827,209</u>
<b>REPRESENTED BY</b>			
Share capital		6,500,000	5,000,000
Reserves		1,881,276	2,749,533
Unappropriated profit		1,993,895	1,979,360
		<u>10,375,171</u>	<u>9,728,893</u>
Minority Interest		50,499	52,383
		<u>10,425,670</u>	<u>9,781,276</u>
Surplus on revaluation of assets - net of deferred tax		2,503,554	2,045,933
		<u>12,929,224</u>	<u>11,827,209</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**

**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2007**

<i>Note</i>	<u>2007</u> <b>Three months period ended 31 March 2007</b>	<u>2006</u> <b>Three months period ended 31 March 2006</b>
	<b>(Rupees in '000)</b>	
Mark-up / Return / Interest Earned	5,802,114	4,853,605
Mark-up / Return / Interest Expensed	<u>(3,822,398)</u>	<u>(3,625,855)</u>
Net Mark-up / Interest Income	1,979,716	1,227,750
Provision against non-performing loans and advances	<u>(223,208)</u>	<u>(169,052)</u>
Provision for diminution in value of investments	-	-
Bad debts written off directly	<u>(603)</u>	<u>(270)</u>
	<u>(223,811)</u>	<u>(169,322)</u>
Net Mark-up / Interest Income after provisions	1,755,905	1,058,428
<b>Non mark-up / interest income</b>		
Fee, commission and brokerage income	<u>564,855</u>	<u>398,864</u>
Dividend income	2,598	4,903
Income from dealing in foreign currencies	94,955	89,730
Gain on sale of securities	139,564	167,131
Unrealized gain / (loss) on revaluation of investment classified as held for trading	2,475	(25,460)
Other income	<u>220,377</u>	<u>161,267</u>
Total Non-Markup / Interest Income	<u>1,024,824</u>	<u>796,435</u>
	2,780,729	1,854,863
<b>Non Mark-up / Interest Expenses</b>		
Administrative expenses	<u>1,815,970</u>	<u>1,344,687</u>
Other provisions / write-offs	-	-
Other charges	<u>41</u>	<u>-</u>
Total Non-Markup / Interest Expenses	<u>1,816,011</u>	<u>1,344,687</u>
	964,718	510,176
Share of Loss of associates	<u>(48,262)</u>	<u>(193,361)</u>
Extra ordinary / unusual items	-	-
<b>Profit Before Taxation</b>	<u>916,456</u>	<u>316,815</u>
<b>Taxation</b>		
- Current	<u>93,939</u>	<u>113,894</u>
- Prior years	-	-
- Deferred	213,437	11,955
- Share of tax of associated undertaking	<u>(29,732)</u>	<u>(127,740)</u>
	<u>277,644</u>	<u>(1,891)</u>
<b>Profit After Taxation</b>	<u>638,812</u>	<u>318,706</u>
<b>Profit / (loss) attributable to:</b>		
Equity holders of the parent	640,696	320,080
Minority Interests	<u>(1,884)</u>	<u>(1,374)</u>
	<u>638,812</u>	<u>318,706</u>
<b>Basic/ Diluted earnings per share</b>	<u>0.99</u>	<u>0.49</u>
	Rupees	

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 THREE MONTHS ENDED MARCH 31, 2007**

	31 March 2007	31 March 2006
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	916,456	316,815
Share of loss of associates	48,262	193,361
Less: Dividend income	(2,598)	(4,903)
	<u>962,120</u>	<u>505,273</u>
<b>Adjustments:</b>		
Depreciation	238,177	153,548
Amortisation	5,674	4,041
Provision against non-performing advances	223,208	169,052
Unrealized (gain) / loss on revaluation of investments classified as held for trading	(2,475)	25,460
Bad debts written-off directly	603	270
(Gain) on sale of operating fixed assets	(1,109)	(911)
Provision for gratuity	23,334	16,632
	<u>487,412</u>	<u>368,092</u>
	1,449,532	873,365
(Increase) / Decrease in operating assets		
Lending to financial institutions	4,172,812	21,524,343
Held-for-trading securities	623,080	307,101
Advances	639,563	(5,738,045)
Other assets - net of provision against other assets	(303,321)	(267,617)
	<u>5,132,134</u>	<u>15,825,782</u>
Increase / (Decrease) in operating liabilities		
Bills payable	231,074	(333,347)
Borrowings	(618,447)	15,507,793
Deposits and other accounts	(11,899,737)	(13,154,230)
Other liabilities	612,783	726,061
	<u>(11,674,327)</u>	<u>2,746,277</u>
	(5,092,661)	19,445,424
Income tax paid	(310,075)	(126,401)
Net cash flow from operating activities	<u>(5,402,736)</u>	<u>19,319,023</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	5,097,715	(13,695,290)
Net investments in held-to-maturity securities	(1,321,895)	(9,075,533)
Investments in associated companies	(1,167,743)	(570,186)
Proceeds from the issue of share capital of subsidiary company	12,800	-
Dividend income received	3,541	60
Investment in operating fixed assets	(429,181)	(785,182)
Proceeds from sale of operating fixed assets	3,246	2,976
Net cash flow from investing activities	<u>2,198,483</u>	<u>(24,123,155)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipt against lease obligation	5,620	-
Payment against lease obligation	(729)	(167)
Net cash flow from financing activities	<u>4,891</u>	<u>(167)</u>
Effects of exchange rates changes in cash and cash equivalents	(564)	(2,119)
<b>Decrease in cash and cash equivalents</b>	<u>(3,199,926)</u>	<u>(4,806,418)</u>
Cash and cash equivalents at beginning of the period	43,184,755	35,294,831
Cash and cash equivalents at end of the period	<u>39,984,829</u>	<u>30,488,413</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 THREE MONTHS ENDED 31 MARCH 2007**

	Share Capital	Share Premium	Statutory Reserve	Reserve for Issue of Bonus Share	Exchange Translation Reserve	Unappropriated profit	Minority Interest	TOTAL
	(Rupees in '000')							
<b>Balance at January 1, 2006</b>	3,000,000	500,000	1,349,191	-	2,027	1,473,076	42,142	6,366,436
Transfer to reserve for issue of bonus shares	-	(500,000)	-	1,000,000	-	(500,000)	-	-
Changes in equity for three months ended upto 31 March 2006								
Transfer from surplus on revaluation of fixed asset - net of tax	-	-	-	-	-	6,518	-	6,518
Exchange differences on translation of net investment in foreign branches	-	-	-	-	(2,119)	-	-	(2,119)
Profit attributable to equity holders of the parent	-	-	-	-	-	320,080	-	320,080
Loss attributable to minority shareholders	-	-	-	-	-	-	(1,374)	(1,374)
Total recognized income and expense for the period	-	-	-	-	(2,119)	326,598	(1,374)	323,105
Transfer to statutory reserve	-	-	77,428	-	(77,428)	-	-	-
Issue of Bonus shares	1,000,000	-	-	(1,000,000)	-	-	-	-
<b>Balance at March 31, 2006</b>	<b>4,000,000</b>	<b>-</b>	<b>1,426,619</b>	<b>-</b>	<b>(92)</b>	<b>1,222,246</b>	<b>40,768</b>	<b>6,689,541</b>
Changes in equity for nine months ended upto 31 December 2006								
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	19,556	-	19,556
Exchange differences on translation of net investment in foreign branches	-	-	-	-	47,896	-	-	47,896
Profit attributable to equity holders of the parent	-	-	-	-	-	1,012,668	-	1,012,668
Loss attributable to minority shareholders	-	-	-	-	-	-	(5,985)	(5,985)
Total recognized income and expense for the period	-	-	-	-	47,896	1,032,224	(5,985)	1,074,135
Receivable against shares from minority	-	-	-	-	-	-	17,600	17,600
Transfer to statutory reserve	-	-	275,110	-	-	(275,110)	-	-
Issue of Rights shares	1,000,000	1,000,000	-	-	-	-	-	2,000,000
<b>Balance at December, 2006</b>	<b>5,000,000</b>	<b>1,000,000</b>	<b>1,701,729</b>	<b>-</b>	<b>47,804</b>	<b>1,979,360</b>	<b>52,383</b>	<b>9,781,276</b>
Changes in equity for three months ended upto 31 March 2007								
Transfer from surplus on revaluation on fixed assets - net of tax	-	-	-	-	-	6,146	-	6,146
Exchange differences on translation of net investment in foreign branches	-	-	-	-	(564)	-	-	(564)
Profit attributable to equity holders of the parent	-	-	-	-	-	640,696	-	640,696
Loss attributable to minority shareholders	-	-	-	-	-	-	(1,884)	(1,884)
Total recognized income and expense for the period	-	-	-	-	(564)	646,842	(1,884)	644,394
Capital contribution by minority shareholders	-	-	-	-	-	-	12,800	12,800
Adjustment of Receivable against shares from minority	-	-	-	-	-	-	(12,800)	(12,800)
Transfer to statutory reserve	-	-	132,307	-	-	(132,307)	-	-
Issue of bonus shares	1,500,000	(1,000,000)	-	-	(500,000)	-	-	-
<b>Balance at March 31, 2007</b>	<b>6,500,000</b>	<b>-</b>	<b>1,834,036</b>	<b>-</b>	<b>47,240</b>	<b>1,993,895</b>	<b>50,499</b>	<b>10,425,670</b>

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 THREE MONTHS ENDED 31 MARCH 2007**

**1. STATUS AND NATURE OF BUSINESS**

Bank Alfalah Limited 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 1, 1992. The Bank's registered office is at B.A. Building, I.I. Chundrigar Road, Karachi and is listed on the Karachi and Lahore Stock Exchanges. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and is operating through 166 conventional banking branches (December 2006: 166 branches) 5 overseas branches (December 2006: 5 branches), 23 Islamic banking branches (December 2006: 23 branches) and 1 offshore banking unit (December 2006: 1)

The Bank has invested in 76 percent (December 2006: 76 percent) shares of Alfalah Securities (Private) Limited. The principal objective of the company is to undertake the business of a brokerage. 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 2006: 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 to constitute, float and manage open-ended and closed-ended funds. Alfalah GHP Investment Management Limited was incorporated on October 18, 2004 as a public limited company under the Companies Ordinance, 1984 and its registered office is 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 Companies (NBFC) (Establishment and Regulation) Rules 2003.

**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 31 March 2007 the Islamic Banking Division's assets were Rs.22.753 billion and its liabilities were Rs.20.880 billion.

During the period ended 31 March 2007, Islamic Banking Division earned revenue of Rs.442.743 million, incurred expenses of Rs.408.956 million and earned a pre-tax profit of Rs.33.787 million with a related tax expense (including current and deferred tax) of Rs.11.825 million. During the period ended 31 March 2007, Islamic Banking Division's cash outflow from operating activities was Rs.544.575 million, cash outflow from investing activities was Rs.294.804 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 approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962, directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. 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, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or the requirements of the said directives take precedence.

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

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

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 2006.

The 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 2006,

### 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 2006.

### 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 2006.

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

### 7 INVESTMENTS

#### 7.1 Investments by types

Note	31 March 2007 (un-audited)			31 December 2006		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
	-----Rupees in '000-----					
Held for trading securities	222,275	-	222,275	845,355	-	845,355
Available for sale securities	19,996,486	465,502	20,461,988	23,878,490	1,681,213	25,559,703
Held to maturity securities	29,356,299	-	29,356,299	28,034,404	-	28,034,404
	49,575,060	465,502	50,040,562	52,758,249	1,681,213	54,439,462
Associates	2,910,053	-	2,910,053	1,760,840	-	1,760,840
Investment at cost	52,485,113	465,502	52,950,615	54,519,089	1,681,213	56,200,302
Less: Provision for diminution in value of investmen	-	-	-	-	-	-
Investments (net of provisions)	52,485,113	465,502	52,950,615	54,519,089	1,681,213	56,200,302
Deficit on revaluation of held-for-trading securities	(4,886)	-	(4,886)	(7,361)	-	(7,361)
Deficit on revaluation of available for sale securities	(40,381)	(368)	(40,749)	(63,548)	(816)	(64,364)
Total investments at market value	<u>52,439,846</u>	<u>465,134</u>	<u>52,904,980</u>	<u>54,448,180</u>	<u>1,680,397</u>	<u>56,128,577</u>

Note      **31 March 2007**      31 December 2006  
(un-audited)  
(Rupees in '000)

### 8 ADVANCES

Loans, cash credits, running finances etc.		
- in Pakistan	127,193,011	128,009,414
- outside Pakistan	3,802,351	3,552,842
Net investment in finance lease		
- in Pakistan	14,464,608	14,278,002
- outside Pakistan	-	-
	14,464,608	14,278,002
Bills discounted and purchased (excluding treasury bills)		
- Payable in Pakistan	1,926,805	1,687,954
- Payable outside Pakistan	4,145,671	4,650,961
	6,072,476	6,338,915
	151,532,446	152,179,173
Provision for non-performing advances - Specific	(1,348,229)	(1,175,568)
Provision for non-performing advances - General	(1,104,874)	(1,060,888)
8.1	<u>149,079,343</u>	<u>149,942,717</u>

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

8.1 Advances include Rs.2.81 billion (December 2006: Rs.2.31 billion) which have been placed under non-performing status as detailed below.

Category of classification	Domestic	Overseas	Total	Provision Required		Provision held	
				Specific	General	Specific	General
(Rupees in '000)							
Other Assets Especially Mentioned (Agri Financing)	52,384	-	52,384	-	-	-	-
Substandard	826,695	-	826,695	132,719	-	132,719	-
Doubtful	543,758	-	543,758	145,967	-	145,967	-
Loss	1,342,824	45,817	1,388,641	1,069,543	-	1,069,543	-
	<u>2,765,661</u>	<u>45,817</u>	<u>2,811,478</u>	<u>1,348,229</u>	<u>1,014,229</u>	<u>1,348,229</u>	<u>1,104,874</u>

31 March  
2007  
(un-audited)

31 December  
2006

(Rupees in '000)

## 9 CONTINGENCIES AND COMMITMENTS

### 9.1 Direct credit substitutes

i) Government	1,005,548	1,060,022
ii) Banking companies and other financial institutions	51,587	50,077
iii) Others	2,809,466	1,607,806
	<u>3,866,601</u>	<u>2,717,905</u>

### 9.2 Transaction-related contingent liabilities

i) Government	11,348,159	11,477,550
ii) Banking companies and other financial institutions	342,938	617,392
iii) Others	7,772,849	5,603,788
	<u>19,463,946</u>	<u>17,698,730</u>

### 9.3 Trade-related contingent liabilities

Letters of credit	28,863,716	27,080,933
Acceptances	5,250,638	5,261,893

### 9.4 Other contingencies

Claims against the Banks not acknowledged as debts	641,442	643,384
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### 9.5 Commitments in respect of forward lending

Forward repurchase agreement lending	984,267	922,102
Commitments to extend credit	6,232,520	6,106,000

### 9.6 Commitments in respect of forward exchange contracts

Purchase	4,333,248	4,331,315
Sale	4,190,088	4,821,648

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

	31 March 2007 (un-audited) (Rupees in '000)	31 December 2006
9.7 Commitments for the acquisition of operating fixed assets and intangibles	465,454	520,565
9.8 Commitments in respect repo transactions		
Repurchase	917,577	1,777,650
Resale	5,681,933	9,924,099
	<u>2007</u> Three months period ended 31 March 2007 (un-audited) (Rupees in '000)	<u>2006</u> Three months period ended 31 March 2006
10 OTHER INCOME		
Net profit on sale of property and equipment	1,109	911
Postage, telex, swift charges etc.	<u>219,268</u>	<u>160,356</u>
	<u>220,377</u>	<u>161,267</u>

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 major shareholders, associated companies with or without common directors, retirement benefit funds and directors and key management personnel and their close family members.

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

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

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

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

	31 March 2007 (Un-audited)					Total
	Directors	Key Management Personnel	Group Companies	Associates	Others	
	(Rupees in '000)					
<b>11.1 Deposits</b>						
Balance at the beginning of the period	3,905	20,467	16,095	1,047,226	6	1,087,699
Placements during the period	8,434	43,406	516,950	14,094,347	-	14,663,137
Withdrawals during the period	(1,603)	(34,303)	(530,281)	(13,725,675)	-	(14,291,862)
Balance at end of the period	<u>10,736</u>	<u>29,570</u>	<u>2,764</u>	<u>1,415,898</u>	<u>6</u>	<u>1,458,974</u>
<b>11.2 Financing</b>						
Balance at the beginning of the period	-	59,043	-	3,100,908	183,333	3,343,284
Disbursement during the period	-	104,435	-	-	-	104,435
Repayment during the period	-	(101,038)	-	(2,390)	(50,000)	(153,428)
Balance at the end of the period	<u>-</u>	<u>62,440</u>	<u>-</u>	<u>3,098,518</u>	<u>133,333</u>	<u>3,294,291</u>
<b>11.3 Investments</b>						
Balance at the beginning of the period	-	-	349,580	2,586,464	120,000	3,056,044
Investment during the period	-	-	-	1,167,742	-	1,167,742
Withdrawals during the period	-	-	(347,721)	-	-	(347,721)
Balance at the end of the period	<u>-</u>	<u>-</u>	<u>1,859</u>	<u>3,754,206</u>	<u>120,000</u>	<u>3,876,065</u>
<b>11.4 Call Borrowings</b>						
Balance at the beginning of the period	-	-	-	-	-	-
Placements during the period	-	-	9,983,308	-	-	9,983,308
Withdrawals during the period	-	-	(9,983,308)	-	-	(9,983,308)
Balance at end of the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>11.5 Call Lendings</b>						
Balance at the beginning of the period	-	-	920,644	-	-	920,644
Disbursement during the period	-	-	6,844,031	-	-	6,844,031
Withdrawals during the period	-	-	(7,150,121)	-	-	(7,150,121)
Balance at end of the period	<u>-</u>	<u>-</u>	<u>614,554</u>	<u>-</u>	<u>-</u>	<u>614,554</u>

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

	31 March 2007 (un-audited)	31 December 2006
	(Rupees in '000)	
<b>11.6 Financing</b>		
<b>Running Finance</b>		
- Other Related Parties	3,098,518	3,100,908
<b>Long term loans</b>		
- Other Related Parties	195,773	242,376
<b>11.7 Contingencies and commitments</b>		
Letter of credit and acceptance issued	18,391	157,048
Guarantees issued	46,200	169,200
<b>11.8 Customer accounts</b>		
<b>PLS accounts</b>		
- Other Related Parties	1,023,756	390,387
<b>Current accounts</b>		
- Other Related Parties	135,936	112,750
<b>Fixed deposit accounts</b>		
- Other Related Parties	299,282	584,562
	<b>31 March 2007</b>	<b>31 March 2006</b>
	<b>(Un-audited)</b>	
	<b>(Rupees in '000)</b>	
<b>11.9 With associated companies</b>		
Insurance Premium paid to Alfalah Insurance Limited	45,750	-
Mark-up income on advances	89,143	12,302
<b>11.10 The Key Management Personal / Directors compensation are as follows:</b>		
Salaries & benefits - Parent company	60,839	47,378
Salaries & benefits - Subsidiary companies	2,503	1,980

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

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

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

### 11.11.1 Loans and advances

	31 December 2006	Disbursement	Repayment	31 March 2007
	-----Rupees in '000-----			
Running Finance	3,100,908	-	2,390	3,098,518
Long term loan	242,376	104,435	151,038	195,773
	<u>3,343,284</u>	<u>104,435</u>	<u>153,428</u>	<u>3,294,291</u>

### 11.11.2 Contingencies and commitments

	31 December 2006	Additional Facilities	Settlements	31 March 2007
	-----Rupees in '000-----			
Letters of credit and acceptances	157,048	-	138,657	18,391
Guarantees	169,200	-	123,000	46,200

### 11.11.3 Customer Deposit accounts

	31 December 2006	Deposits	Withdrawals	31 March 2007
	-----Rupees in '000-----			
PLS accounts	390,387	5,536,436	4,903,067	1,023,756
Current accounts	112,750	9,040,752	9,017,566	135,936
Fixed deposit accounts	584,562	85,948	371,228	299,282
	<u>1,087,699</u>	<u>14,663,136</u>	<u>14,291,861</u>	<u>1,458,974</u>

## 12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 25, 2007 by the Board of Directors.

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

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chairman

## BRANCHES NETWORK

### KARACHI

#### Main Branch

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

#### Cloth Market Branch

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

#### Clifton Branch

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

#### Shahrah-e-Faisal Branch

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

#### Jodia Bazar Branch

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

#### Korangi Industrial Area Branch

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

#### M.A.Jinnah Road Branch

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

#### S.I.T.E. Branch

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

#### North Karachi Industrial Area Branch

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

#### Paper Market Branch

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

#### Gulshan-e-Iqbal Branch

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

#### Karachi Stock Exchange Branch

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

#### North Napier Road Branch

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

#### Bahadurabad Branch

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

#### Timber Market Branch

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

#### Defence Housing Authority Branch

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

#### PECHS Branch

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

#### Federal 'B' Area Branch

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

#### Eidgah Branch

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

#### Marriot Road Branch

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

## BRANCHES NETWORK

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

**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 Chowrangi Branch**  
Gulshan Chowrangi, 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

### 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

## BRANCHES NETWORK

### **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

### **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

### **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

## BRANCHES NETWORK

### 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

### Chuburji

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

## ISLAMABAD

### Blue Area Branch

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

### I-10 Markaz Branch

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

### F-7 Markaz Branch

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

### Stock Exchange Branch

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

### F-10 Markaz Branch

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

### I-8 Markaz Branch

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

### 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

## BRANCHES NETWORK

### RAWALPINDI

#### The Mall Branch

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

#### Satellite Town Branch

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

#### Jinnah Road Branch

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

#### Lalazar Branch

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

#### Chaklala Branch

59, Shah Plaza, Commercial Area,  
Chaklala Scheme III  
Phone : (051) 5766003-4 Fax : 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,  
Liaqat Road.  
Phone : (041) 617436-9  
Fax : 617432, 640834

#### Peoples Colony Branch

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

#### Susan Road Branch

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

#### Rail Bazar Branch

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

#### Yarn Market Branch

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

#### Minerva Road Branch

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

#### Sheikhupura Road, Faisalabad

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

### PESHAWAR

#### Peshawar Cantt. Branch

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

#### Peshawar City Branch

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

#### Hayatabad Jamrud Road

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

#### G.T. Road Branch

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

### ATTOCK

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

## BRANCHES NETWORK

### 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

### 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

## BRANCHES NETWORK

### MINGORA, SWAT

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

### JHELUM

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

### MIAN CHANNU

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

### SHEIKHUPURA

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

### DERA ISMAIL KHAN

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

### OKARA

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

### ABBOTTABAD

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

### 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

## BRANCHES NETWORK

### GILGIT

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

### CHAKWAL

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

### BHALWAL

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

### KASUR

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

### MANSEHRA

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

### BANNU

Gowshala Road, Fatima Khel  
Phone : (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

### 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

### BAHAWALNAGAR

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

### MUZAFFARGARH

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

### KHANPUR

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

## BRANCHES NETWORK

### 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

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

### ISLAMIC BANKING BRANCHES

#### Uni-Tower, Karachi

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

#### Shahrah-e-Faisal, Karachi

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

#### Jodia Bazar

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

#### Gulistan-e-Jauhar

Eastern Pride,  
Gulistan-e-Jauhar No.15 Karachi

#### 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

#### 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

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

#### Gulshan-e-Ravi

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

#### Qurtaba Chowk

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

#### 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

#### Faisal Arcade G.T. Road, Gujranwala

Phone : (055) 4557301-05 Fax : 4557310

## BRANCHES NETWORK

### 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

## 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

## KINGDOM OF BAHRAIN

### MANAMA

Offshore Banking Unit

Al Doseri Business Centre,

P.O. Box # 3210

1 Government Avenue Suit 310,

Building No. 1, Road, No. 383,

Block 306, Manama

Phone : 973 1753 6222

Fax : 973 1753 6333