





## Arif Habib Centre\*

\* Future head office of Arif Habib Bank Limited (currently under construction)

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr. Arif Habib**  
Chairman

**Mr. Kamal Uddin Khan**  
President & CEO

**Mr. Salim Chamdia**  
Executive Director

**Mr. Md. Abdul Hamid Miah**  
Director

**Mr. Asadullah Khawaja**  
Director

**Mr. Nasim Beg**  
Director

**Syed Ajaz Ahmed**  
Director

## AUDIT COMMITTEE

**Mr. Asadullah Khawaja**  
Chairman

**Mr. Nasim Beg**  
Member

**Syed Ajaz Ahmed**  
Member

## EXECUTIVE COMMITTEE

**Mr. Arif Habib**  
Chairman

**Mr. Kamal Uddin Khan**  
Member

**Mr. Salim Chamdia**  
Member

**Mr. Nasim Beg**  
Member

## RISK MANAGEMENT COMMITTEE

**Mr. Arif Habib**  
Chairman

**Mr. Kamal Uddin Khan**  
Member

**Mr. Salim Chamdia**  
Member

**Mr. Asadullah Khawaja**  
Member

**Mr. Nasim Beg**  
Member

## HUMAN RESOURCE (HR) COMMITTEE

**Mr. Arif Habib**  
Chairman

**Mr. Kamal Uddin Khan**  
Member

**Mr. Salim Chamdia**  
Member

**Mr. Asadullah Khawaja**  
Member

## CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

**Mr. Muhammad Amin Bhoori**

## AUDITORS

**M. Yousuf Adil Salim & Co.**  
Chartered Accountants

## LEGAL ADVISORS

**Liaquat Merchant Associates**

## HEAD OFFICE

Arif Habib Centre, 23 M.T. Khan Road  
Karachi – 74000, Pakistan  
Tel: (021) 111-124-725  
Fax: (021) 243-5736

## REGISTERED OFFICE

2/1, R.Y. 16, Old Queens Road,  
Karachi – 74000

## SHARE REGISTRAR

Technology Trade (Pvt) Ltd  
Dagia House, 241-C, Block 2, PECHS,  
Off: Shahrah-e-Quaideen, Karachi  
Tel: (021) 439-1316-7  
Fax: (021) 439-1318

## ENTITY RATINGS RATED BY: JCR-VIS

Medium to long term "A"  
Short term "A-2"  
Outlook "Stable"

E-mail: [info@arifhabibbank.com](mailto:info@arifhabibbank.com)

Website: [www.arifhabibbank.com](http://www.arifhabibbank.com)

UAN: (021) 111-124-725

Toll free: 0800-24252

## VISION

We are committed to be recognized as the preferred supplier of financial services to the markets we serve.

## MISSION

Our mission is to differentiate ourselves as an institution built on Trust, Integrity, Good Governance, and Commitment to Deliver Value to all stakeholders i.e. customers, creditors, employees, investors, and community at large.

Reach out and provide financial services to under-served and un-served customer segments.

# DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors of Arif Habib Bank Limited (the Bank), we are pleased to present the un-audited financial statements for the first quarter ended March 31, 2008.

## FINANCIAL HIGHLIGHTS

Financial Highlights of the Bank for the quarter ended March 31, 2008 are as follows:

	March 31, 2008	March 31, 2007
	(Rupees in '000')	
Profit for the period before taxation	179,227	16,589
Paid-up capital	4,500,000	3,000,000
Reserves	1,970,891	109,793
Equity	6,470,891	3,109,793
Investments	6,683,084	3,239,971
Advances (Net of provisions)	11,749,432	1,415,802
Deposits	13,611,846	3,655,466
Earnings per share (Rupee per share)	0.326	0.053
No. of branches	12	7

On a quarter to quarter basis, compared to December 2007, total assets of the Bank grew by 19.25% to Rs. 21.61 billion. Net advances increased by 46.33% to Rs. 11.75 billion, while deposits registered a growth of 43.82% and stood at Rs. 13.61 billion.

The above performance was a result of optimum utilization of resources, cost and operational efficiency, focused marketing strategy and effective risk management.

## BUSINESS & BRANCH NETWORK

Your Bank is currently operating with twelve branches, seven in Karachi, two in Lahore and one each in Islamabad, Faisalabad and Multan. This network is expected to increase to hundred branches during the next three to five years.

During 2008, your Bank plans to add twenty one new branches across the country. Several new sites have been acquired and development is in progress.

A professional team has been developed to meet the expectation of discerning clients. This is in line with the Bank's strategy to build an infrastructure of international standard to attract and retain a sizable client base.

We continue to invest in technology, human resource, and branch network to achieve sustainable long term growth for the Bank.

## CREDIT RATING

JCR-VIS Credit Rating Company Limited has maintained the Bank's credit ratings of 'A' for medium to long-term and 'A-2' for short term with a stable outlook.

## **ECONOMIC OUTLOOK**

Pakistan's economy is passing through a challenging period. Inflation, budget deficit, trade deficit and weakening rupee are issues the country's economy is faced with. However, long term prospects remain satisfactory as political transition is complete and new democratically elected Government is in place. It is hoped that economic activity will pick up again increasing credit demand in private sector.

## **ACKNOWLEDGMENT**

On behalf of the Board and the Management, we would like to express our sincere appreciation to the State Bank of Pakistan for its continued guidance and support.

We sincerely appreciate our shareholders for their trust and confidence, our customers for their patronage and employees of the Bank for their commitment and hard work.

## **On Behalf of the Board of Directors**

**Arif Habib**  
Chairman

**Kamal Uddin Khan**  
President & CEO

April 17, 2008

# CONDENSED INTERIM BALANCE SHEET

As at March 31, 2008

	Note	Unaudited March 31, 2008 (Rupees in '000')	Audited December 31, 2007
<b>ASSETS</b>			
Cash and balances with treasury banks		1,036,480	753,845
Balances with other banks		172,901	52,551
Lendings to financial institutions		850,000	2,855,582
Investments	5	6,683,084	5,408,425
Advances	6	11,749,432	8,029,248
Other assets		413,180	423,620
Operating fixed assets	7	703,209	597,515
Deferred tax assets		-	-
		<b>21,608,286</b>	<b>18,120,786</b>
<b>LIABILITIES</b>			
Bills payable		438,687	384,179
Borrowings from financial institutions		895,373	1,748,603
Deposits and other accounts		13,611,846	9,464,785
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Other liabilities		196,738	181,776
Deferred tax liabilities		35,447	39,867
		<b>15,178,091</b>	<b>11,819,210</b>
<b>NET ASSETS</b>			
		<b>6,430,195</b>	<b>6,301,576</b>
<b>REPRESENTED BY</b>			
Share capital		4,500,000	4,500,000
Reserves		1,844,178	1,631,395
Unappropriated profit	8	126,713	192,744
		<b>6,470,891</b>	<b>6,324,139</b>
(Deficit) on revaluation of assets - net		(40,696)	(22,563)
		<b>6,430,195</b>	<b>6,301,576</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9		

The annexed notes from 1 to 12 form an integral part of these accounts.

  
PRESIDENT & CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

  
DIRECTOR



# CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the Quarter Ended March 31, 2008

	Quarter ended	
	March 31, 2008	March 31, 2007
	(Rupees in '000')	
Mark-up / Return / Interest earned	366,609	96,293
Mark-up / Return / Interest expensed	(153,722)	(43,412)
Net Mark-up / Interest Income	212,887	52,881
Provision against non-performing advances	-	-
Provision for diminution in the value of investments	-	-
Bad debts written off directly	-	-
Net Mark-up / Interest Income after provisions	212,887	52,881
<b>NON MARK-UP / INTEREST INCOME</b>		
Fee, Commission and Brokerage Income	18,334	133
Dividend Income	69,220	166
Gain on sale of investment	581	37,341
Income from trading in Government securities	-	430
Income from dealing in foreign currencies	2,313	111
Unrealized (Loss) on revaluation of investments classified as held for trading	-	(52)
Other Income	1,102	6,125
Total non-Mark-up / Interest Income	91,550	44,254
	304,437	97,135
<b>NON MARK-UP / INTEREST EXPENSES</b>		
Administrative expenses	124,750	80,546
Other provisions / write-offs	-	-
Other charges	460	-
Total non mark-up / interest expenses	(125,210)	(80,546)
Extra ordinary / unusual items	-	-
<b>PROFIT BEFORE TAXATION</b>	179,227	16,589
Taxation		
Current	32,830	770
Prior years	-	-
Deferred	(355)	-
	(32,475)	(770)
<b>PROFIT AFTER TAXATION</b>	146,752	15,819
Unappropriated profit brought forward	192,744	75,179
Profit available for appropriation (Note 8)	339,496	90,998
Basic and Diluted earnings per share	0.326	0.053

The annexed notes from 1 to 12 form an integral part of these accounts.



**PRESIDENT & CHIEF EXECUTIVE**



**DIRECTOR**



**DIRECTOR**



**DIRECTOR**

# CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

For the Quarter Ended March 31, 2008

March 31, 2008      March 31, 2007  
(Rupees in '000')

## A. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	179,227	16,589
Less: Dividend income	(69,220)	(166)
	<b>110,007</b>	<b>16,423</b>
Depreciation	11,848	6,748
Amortization	6,483	2,092
Unrealized (Gain) / Loss on revaluation of Investment Held for Trading	-	52
Reversal of Unrealized (loss) on revaluation of Investment Held for trading	(6,797)	-
Provision for non-performing advances	-	-
(Gain) on sale of fixed assets	-	(720)
	<b>11,534</b>	<b>8,172</b>
	<b>121,541</b>	<b>24,595</b>
(Increase) / decrease in operating assets		
Lendings to financial institutions	2,005,582	149,286
Advances	(3,720,184)	8,567
Net investments in held for trading securities	68,749	(60,611)
Others assets	69,418	43,872
	<b>(1,576,435)</b>	<b>141,114</b>
Increase / (decrease) in operating liabilities		
Bills payable	54,508	5,150
Borrowings from financial institutions	(853,230)	-
Deposits and other accounts	4,147,061	1,129,195
Other liabilities	(8,164)	74,860
	<b>3,340,175</b>	<b>1,209,205</b>
	<b>1,885,281</b>	<b>1,374,914</b>
Income tax paid	(9,704)	(4,010)
Net cash flow from operating activities	<b>1,875,577</b>	<b>1,370,904</b>

## B. CASH FLOWS FROM INVESTING ACTIVITIES

Net investments in available-for-sale securities	(1,358,809)	(1,441,945)
Dividend income	8,149	166
Investments in operating fixed assets	(121,932)	(48,372)
Sale proceeds of property and equipment disposed-off	-	720
Net cash flow used in investing activities	<b>(1,472,592)</b>	<b>(1,489,431)</b>

# CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

For the Quarter Ended March 31, 2008

March 31, 2008      March 31, 2007  
(Rupees in '000')

## C. CASH FLOWS FROM FINANCING ACTIVITIES

Issue of share capital	-	-
Premium on issue of share capital	-	-
Cash flow from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	<b>402,985</b>	(118,527)
Cash and cash equivalents at beginning of the period	<b>806,396</b>	874,024
Cash and cash equivalents at end of the period	<b>1,209,381</b>	755,497

The annexed notes from 1 to 12 form an integral part of these accounts.



**PRESIDENT & CHIEF EXECUTIVE**



**DIRECTOR**



**DIRECTOR**



**DIRECTOR**

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the Quarter Ended March 31, 2008

	Share Capital	Reserves			Total	Unappropriated Profit	Total Equity
		Share Premium	Statutory Reserve	General Reserve			
(Rupees in '000')							
Balance as at January 01, 2007	3,000,000	-	18,795	-	18,795	75,179	3,093,974
Profit after taxation for the period	-	-	-	-	-	15,819	15,819
Transferred to Statutory reserve	-	-	3,164	-	3,164	(3,164)	-
<b>Balance as at March 31, 2007</b>	<b>3,000,000</b>	<b>-</b>	<b>21,959</b>	<b>-</b>	<b>21,959</b>	<b>87,834</b>	<b>3,109,793</b>
Issue of share capital	1,500,000	1,500,000	-	-	1,500,000	-	3,000,000
Profit after taxation for the period	-	-	-	-	-	214,346	214,346
Transferred to statutory reserve	-	-	42,869	-	42,869	(42,869)	-
Transferred to General reserve	-	-	-	66,567	66,567	(66,567)	-
<b>Balance as at December 31, 2007</b>	<b>4,500,000</b>	<b>1,500,000</b>	<b>64,828</b>	<b>66,567</b>	<b>1,631,395</b>	<b>192,744</b>	<b>6,324,139</b>
Issue of share capital	-	-	-	-	-	-	-
Profit after taxation for the period	-	-	-	-	-	146,752	146,752
Transferred to Statutory reserve	-	-	29,350	-	29,350	(29,350)	-
Transferred to General reserve	-	-	-	183,433	183,433	(183,433)	-
<b>Balance as at March 31, 2008</b>	<b>4,500,000</b>	<b>1,500,000</b>	<b>94,178</b>	<b>250,000</b>	<b>1,844,178</b>	<b>126,713</b>	<b>6,470,891</b>

The annexed notes from 1 to 12 form an integral part of these accounts.



**PRESIDENT & CHIEF EXECUTIVE**



**DIRECTOR**



**DIRECTOR**



**DIRECTOR**

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the Quarter Ended March 31, 2008

## 1. STATUS AND NATURE OF BUSINESS

**1.1** Arif Habib Bank Limited “the Bank”, being a banking company, is incorporated in Pakistan and is engaged in commercial banking and related services. Its registered office is situated at 2/1, R.Y. 16, Old Queens Road, Karachi in the Province of Sindh. The Bank is formally listed on Karachi, Lahore and Islamabad Stock Exchanges with effect from February 13, 2008. The bank is operating in Pakistan through its twelve (12) branches.

**1.2** The medium to long term rating of the Bank rated by JCR-VIS, credit rating company, is A with a positive outlook. Short term rating of the bank is A-2.

## 2. STATEMENT OF COMPLIANCE

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 and the Banking Companies Ordinance, 1962. Approved accounting standards comprise of such International Financial Reporting 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, Banking Companies Ordinance, 1962 or the requirements of the said directives take precedence.

The State Bank of Pakistan has deferred the applicability of International Accounting Standard 39, “Financial Instruments: Recognition and Measurement” and International Accounting Standard 40, “Investment Property” for Banking Companies through BSD Circular No.10 dated August 26, 2002. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim 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 disclosure 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 May 12, 2004 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and these financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2007.

## 3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except for the measurement of certain financial instruments at fair value.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in preparation of these financial statements are the same as those adopted in the preparation of the financial statements of the bank for the year ended December 31, 2007.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the Quarter Ended March 31, 2008

Unaudited March 31, 2008			Audited December 31, 2007		
Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total

(Rupees in '000')

## 5. INVESTMENTS

### 5.1 Investments by types:

#### Held for trading

Mutual funds units	-	-	-	5,000	-	5,000
Listed companies shares	-	-	-	7,890	55,859	63,749
	-	-	-	12,890	55,859	68,749

#### Available for sale securities

Market Treasury Bills	2,407,400	596,294	3,003,694	2,445,570	192,860	2,638,430
Certificate of investments	-	-	-	-	-	-
Pakistan Investment Bonds	536,652	-	536,652	446,042	-	446,042
Listed companies shares	370,219	39,079	409,298	158,271	146,458	304,729
Mutual funds units	1,380,990	-	1,380,990	1,080,000	-	1,080,000
Sukuk Bonds	200,000	-	200,000	-	-	-
Term Finance Certificates - listed/unlisted	1,200,796	-	1,200,796	903,420	-	903,420
	6,096,057	635,373	6,731,430	5,033,303	339,318	5,372,621

**Investments at Cost** 6,096,057 635,373 6,731,430 5,046,193 395,177 5,441,370

Less: Provision for diminution in value of investments - - - - - -

#### Surplus / (deficit) on revaluation of securities classified as:

- Held for trading	-	-	-	(642)	(6,155)	(6,797)
- Available for sale	(44,037)	(4,309)	(48,346)	(17,426)	(8,722)	(26,148)
	(44,037)	(4,309)	(48,346)	(18,068)	(14,877)	(32,945)

Investments at cumulative amount (net of provisions) - at market value 6,052,020 631,064 6,683,084 5,028,125 380,300 5,408,425

Unaudited March 31, 2008 Audited December 31, 2007  
(Rupees in '000')

## 6. ADVANCES

Loans, cash credits, running finance, etc.		
In Pakistan	11,503,696	7,625,888
Outside Pakistan	-	-
	11,503,696	7,625,888
Financing in respect of		
Continuous funding system (CFS)	338,158	501,846
Net Investment in finance lease		
In Pakistan	9,694	-
Outside Pakistan	-	-
	9,694	-
Bills discounted and purchased (excluding Treasury Bills)		
Payable in Pakistan	-	29,975
Payable outside Pakistan	26,345	-
	26,345	29,975
Provision for non-performing advances	11,877,893 (128,461)	8,157,709 (128,461)
	11,749,432	8,029,248

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the Quarter Ended March 31, 2008

6.1 Advances include Rs.128.461 million which have been placed under non-performing status as detailed below: -

Category of Classification	Domestic	Overseas	Total Advance	Provision required	Provision Held
	(Rupees in '000')				
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	128,461	-	128,461	128,461	128,461
	128,461	-	128,461	128,461	128,461

**Unaudited**      Audited  
**March 31,**      December 31,  
**2008**              2007  
(Rupees in '000')

## 7. OPERATING FIXED ASSETS - AT COST

### 7.1 Additions

Building	-	-
Building Improvements	<b>12,355</b>	27,930
Furniture and fixture	<b>3,494</b>	10,853
Electrical, office and computer equipment	<b>22,746</b>	95,052
Vehicles	<b>37</b>	13,145
Computer software	<b>2,681</b>	85,160

### 7.2 Deletions

Building	-	-
Building Improvements	-	-
Furniture and fixture	-	-
Electrical, office and computer equipments	-	39
Vehicles	-	26,352
Computer software	-	-

## 8. UNAPPROPRIATED PROFIT

Opening balance brought forward	<b>192,744</b>	75,179
Profit for the period	<b>146,752</b>	230,165
Profit available for appropriation	<b>339,496</b>	305,344
<b>Appropriation</b>		
Transfer to Statutory reserve	<b>(29,350)</b>	(46,033)
Transfer to General Reserve	<b>(183,433)</b>	(66,567)
	<b>(212,783)</b>	(112,600)
	<b>126,713</b>	192,744

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the Quarter Ended March 31, 2008

	Unaudited March 31, 2008 (Rupees in '000')	Audited December 31, 2007
<b>9. CONTINGENCIES AND COMMITMENTS</b>		
<b>9.1 Direct Credit Substitutes</b>		
<b>Contingent liability in respect of guarantees given favouring:</b>		
Government	12,426	7,024
Banking Companies and other financial institutions	-	-
Others	579,140	1,925
	<b>591,566</b>	<b>8,949</b>
<b>9.2 Transactions-related contingent liabilities / commitments Guarantees given in favour of:</b>		
Government	-	-
Banking Companies and other financial institutions	-	-
Others	-	-
	-	-
<b>9.3 Trade-related contingent liabilities</b>		
Letters of credit	663,660	581,088
Acceptances	87,338	7,640
	<b>750,998</b>	<b>588,728</b>
<b>9.4 Other contingencies - Claims against bank not acknowledge as debt</b>		
	<b>83,903</b>	<b>83,903</b>
<b>9.5 Commitments in respect of forward lending</b>		
Forward call lending	-	-
Forward repurchase agreement lending	500,000	1,655,582
Commitments to extend credit	20,791	9,998
	<b>520,791</b>	<b>1,665,580</b>
<b>9.6 Commitments in respect of future contracts</b>		
Purchase	252,083	30,990
Sale	-	-
	<b>252,083</b>	<b>30,990</b>
<b>9.7 Commitments for the acquisition of operating fixed assets</b>		
Civil works	26,960	19,210
Acquisition of computer software	-	-
	<b>26,960</b>	<b>19,210</b>



# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the Quarter Ended March 31, 2008

## 10. RELATED PARTY TRANSACTIONS

Transactions with related parties are executed on the same terms as those prevailing at the time for comparable transactions with unrelated parties.

The detail of transactions with related parties and balances with them are given below: -

	<b>Unaudited March 31, 2008 (Rupees in '000')</b>	Audited December 31, 2007
<b>10.1 Associated Companies</b>		
<b>Brokerage Services</b>		
Brokerage expenses paid - CFS	<u>338</u>	<u>9,331</u>
Brokerage expenses paid - Equity	<u>2,415</u>	<u>6,540</u>
Brokerage payable	<u>175</u>	<u>-</u>
<b>Financing</b>		
Balance at the beginning of the period	<u>1,290,921</u>	380,050
Sanctioned / granted during the period	<u>1,500,996</u>	1,470,025
Payment received during the period	<u>(1,637,364)</u>	(559,154)
Balance at the end of the period	<u>1,154,553</u>	<u>1,290,921</u>
Mark up earned during the period	<u>26,977</u>	<u>39,775</u>
<b>Other receivable</b>	<u>1,549</u>	<u>123</u>
<b>Other payable</b>	<u>-</u>	<u>3,250</u>
<b>Rent expense during the period</b>	<u>1,950</u>	<u>3,250</u>
<b>10.2 Key Management Personnel</b>		
<b>Advances</b>		
Balance at the beginning of the period	<u>14,237</u>	3,611
Sanctioned / granted during the period	<u>2,754</u>	13,751
Payment received during the period	<u>(1,552)</u>	(3,125)
Balance at the end of the period	<u>15,439</u>	<u>14,237</u>
Mark up earned during the period	<u>105</u>	<u>276</u>

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the Quarter Ended March 31, 2008

	Unaudited March 31, 2008 (Rupees in '000')	Audited December 31, 2007
<b>10.3 Pakarab Fertilizers Limited- an associated company</b>		
Investment in TFC	407,320	235,000
<b>10.4 Mutual Fund of Arif Habib Investment Management Company</b>		
<b>Investments - group company</b>		
Pakistan Income fund	939,761	200,000
Capital gain/ (loss) earned/incurred during the period	(59,743)	26,410
<b>10.5 Contingencies- associated companies</b>		
Guarantees, Letters of credit and acceptances	478,065	580,774
<b>10.6 Deposits - associated persons / companies</b>		
Balance at the beginning of the period	611,147	523,237
Deposits during the period	39,780,749	34,059,685
Withdrawal during the period	(33,642,122)	(33,971,775)
Balance at the end of the period	6,749,774	611,147
Mark up expensed during the period	59,702	28,474
Mark up paid	37,172	26,054
<b>10.7 Defined contribution plan</b>		
Contribution paid to Provident fund	1,849	2,937

## 11. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on April 17, 2008 by the Board of Directors of the Bank.

## 12. GENERAL

Figures have been rounded off to the nearest thousand rupee.



PRESIDENT & CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



DIRECTOR

<b>Branch</b>	<b>Contact No.</b>	<b>Address</b>
<b>Karachi</b>		
II Chundrigar	Tel: 021-2466410-3 Fax: 021-2466500	Unit Towers, II Chundrigar Road, Karachi.
Boat Basin	Tel: 021-5824171-80 Fax: 021-5824163	Ground Floor, Plot No. FL-4, Hanging Gardens, Block 5, Clifton, Karachi.
Gulistan-e-Istehar	Tel: 021-4030527-8 021-4030530 Fax: 021-4030529	Shop G1-G10, Ruji Shopping Mall, Block 18, Gulistan-e-Istehar, Karachi.
Atrium Mall	Tel: 021-5641000-3 021-5641007 Fax: 021-5641008	Shop 6 & 21, Ground Floor, Atrium Mall, Staff Lines, Zaibunnisa Street, Saddar, Karachi.
Karachi Stock Exchange Branch	Tel: 021-2462844-9 021-2462829-30 Fax: 021-2462843	Room # 60-63, 1st Floor, Karachi Stock Exchange Building, Karachi.
Cloth Market	Tel: 021-2443651 021-2443591 021-2443871 Fax: 021-2443821	28th, Chohimoufa Market, Laxmidas Street, Karachi.
Korangi Industrial Area	Tel: 021-5114290 Fax: 021-5114282	33/1, Sector 15, Korangi Industrial Area, Karachi.
<b>Lahore</b>		
Defence	Tel: 042-5749069 042-5749071 Fax: 042-5749070	16J, Block Y, Phase III, DHA, Lahore Cantt.
Lahore Stock Exchange	Tel: 042-6280853-6 Fax: 042-6280851	Office # 5, 6, 19th Awan-e-Iqbal Road, Lahore Stock Exchange Building, Lahore
<b>Islamabad</b>		
Super Market Branch	Tel: 051-2279167-70 Fax: 051-2279166	Plot No. 6B, F-6, Super Market, Islamabad
<b>Multan</b>		
Abdali Road Branch	Tel: 061-4573729 061-4572519 Fax: 061-4516762	Plot No. 66-AB/9, Abdali Road, Multan-Pakistan.
<b>Faisalabad</b>		
Yarn Market	Tel: 041-2619885 041-2619746 041-2465504 Fax: 041-2619884	Property # 7, Yarn Market, Ghanta Ghar, Faisalabad

**Head Office:**

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