

**Quarterly Report
for the
period ended
March 31st, 2009**

CONTENTS

Corporate Information	02
Vision / Mission Statement	03
Directors' Report	04
Balance Sheet	06
Profit and Loss Account	07
Cash Flow Statement	08
Statement of Changes in Equity	10
Notes to the Financial Statements	11
Branch Network	19

Corporate Information

BOARD OF DIRECTORS

Mr. Arif Habib
Chairman

Mr. Husain Lawai
President & CEO

Mr. Salim Chamdia (*Resigned*)
Executive Director

Mr. Md. Abdul Hamid Miah
Director

Mr. Asadullah Khawaja
Director

Mr. Nasim Beg
Director

Mirza Mahmood Ahmad
Director (Subject to clearance from SBP)

AUDIT COMMITTEE

Mr. Asadullah Khawaja
Chairman

Mr. Nasim Beg
Member

Mr. Arif Habib
Member

EXECUTIVE COMMITTEE

Mr. Arif Habib
Chairman

Mr. Husain Lawai
Member

Mr. Nasim Beg
Member

RISK MANAGEMENT COMMITTEE

Mr. Arif Habib
Chairman

Mr. Husain Lawai
Member

Mr. Asadullah Khawaja
Member

Mr. Nasim Beg
Member

HUMAN RESOURCE (HR) COMMITTEE

Mr. Arif Habib
Chairman

Mr. Husain Lawai
Member

Mr. Asadullah Khawaja
Member

CFO AND COMPANY SECRETARY

Mr. Muhammad Amin Bhoori

AUDITORS

M. Yousuf Adil Salim & Co.
Chartered Accountants

LEGAL ADVISORS

Liaquat Merchant Associates

HEAD OFFICE

Arif Habib Center, 23, M.T. Khan Road
Karachi – 74000, Pakistan
UAN: (021) 111-124-725
Fax: (021) 2435736

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 – 74000, Pakistan
Tel: (021) 4391316-7
Fax: (021) 4391318

ENTITY RATINGS

Rated by: JCR-VIS
Medium to long term “A”
Short term “A-2”
Outlook “Stable”
E-mail: info@arifhabibbank.com
Website: www.arifhabibbank.com
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 the community at large. Reach out and provide financial services to under-served and un-served customer segment”

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 quarter ended March 31, 2009.

Financial Highlights

Financial Highlights of the Bank for the period under review are as follows:

	March 31, 2009	March 31, 2008
	Rupees in '000'	
Pre-tax (Loss) / Profit for the period	(149,479)	179,227
Equity	5,993,741	6,470,891
Paid-up-capital	5,000,000	4,500,000
Deposits	20,718,394	13,611,846
Advances (Net of provisions)	14,926,366	11,749,432
Investments	10,150,544	6,683,084
Basic and Diluted (Loss) / Earnings per share	(0.278)	0.294

The Bank re-established a growth momentum during the quarter ended March 31, 2009.

The Deposits of the Bank reached Rs. 20.718 billion, a growth of 24.69% over December 2008, and this resulted in a growth in total assets of 17.71% - mainly reflected in higher investments in government securities, which gave the Bank a very comfortable liquidity position.

The Bank registered a pre-tax loss of Rs. 149 million, primarily due to provisions against non performing loans and advances, due to the downgrading of some of the exposures - mainly on account of the timing criteria. There was also an Impairment loss charge in respect of Available for Sale Investments as per the guidelines of the State Bank of Pakistan (SBP) and the Securities & Exchange Commission of Pakistan (SECP) issued earlier this year. As at March 31, 2009, non-performing loans and advances (NPLs) stood at Rs. 2,607 million as against Rs.2,693 million at December 31, 2008. This net decline in NPLs was due to recoveries from some of the borrowers who were classified in December 2008 and addition of some more accounts.

Economic Overview

Pakistan's economy has made some progress on its path towards macroeconomic stability. CPI inflation (YoY) declined to 19.1 percent in March, 2009 from a high of 25.3 percent in August, 2008, but it is still very high. Persistent demand pressures, as depicted by core inflation measures, have also eased to some extent and core inflation at 20-percent is down by about 2.4 percentage points from its peak in October, 2008. Although the average CPI inflation for FY09 is expected to be around 21 percent, the projected inflation of around 14 percent for Q4-FY09 and 8 percent for FY10 shows a positive outlook for the future.

Despite improvement in the outlook of some important economic indicators, the path to sustainable medium term economic recovery remains uncertain. There are many structural issues that need to be tackled but, most importantly, the severe domestic power shortages and the deteriorating law and order conditions have created an environment that is not conducive for improving the productive sectors of the economy.

As an incentive for stimulating the business activity in the country, the State Bank of Pakistan has lowered their discount rate by 100 bps to 14 percent effective April 2009.

Directors' Report to the Members

Business & Branch Network

The Bank continues to strengthen its presence in the market place, and as at March 31, 2009 we were operating 34 branches across the country. Six more branches will be added by June, 2009, and we plan to add more branches to the network during the second half of 2009, after the injection of additional capital into 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 the short term, with a stable outlook.

Outlook

State Bank of Pakistan has revised the minimum Paid-up Capital requirements for banks. As per the revised guidelines, Banks are now required to raise their paid-up capital to Rs. 10 billion, as against the previous requirement of Rs. 23 billion, by 2013. This is a great relief to Banks who are already struggling to face the consequences of the current global economic crisis which has hit most world economies very badly.

We are taking all necessary measures to minimize the impact of the current down turn in Pakistan's economy on the Bank's balance sheet and profitability, and are pursuing a policy of prudently managed growth.

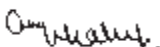
The Bank is developing new products and services to offer to its valuable customers, which will be launched by mid-year.

Acknowledgment

The Board would like to thank the State Bank of Pakistan and other regulatory authorities for their continuous guidance and support, and our valued customers for their continued patronage.

The Board would also like to place on record its appreciation of the hard work, commitment, professionalism and dedicated efforts of the senior management, officers and staff of the Bank.

On Behalf of the Board of Directors



Arif Habib
Chairman



Husain Lawai
President & CEO

Date: April 25, 2009

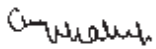
Condensed Interim Balance Sheet
As at March 31, 2009

	Notes	March 31, 2009 Unaudited	December 31, 2008 Audited
Rupees in '000'			
ASSETS			
Cash and balances with treasury banks		1,327,909	1,349,649
Balances with other banks		331,098	65,580
Lendings to financial institutions		54,376	200,000
Investments	5	10,150,544	5,094,613
Advances	6	14,926,366	15,758,678
Other assets		977,490	1,045,522
Operating fixed assets	7	1,146,275	927,882
Deferred tax assets		282,026	360,893
		29,196,084	24,802,817
LIABILITIES			
Bills payable		65,192	75,963
Borrowings from financial institutions		1,978,163	1,869,940
Deposits and other accounts	8	20,718,394	16,616,466
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Other liabilities		583,703	420,328
Deferred tax liabilities		-	-
		23,345,452	18,982,697
NET ASSETS		5,850,632	5,820,120
REPRESENTED BY			
Share capital		5,000,000	5,000,000
Reserves		1,314,828	1,314,828
Unappropriated loss		(321,087)	(182,097)
		5,993,741	6,132,731
(Deficit) on revaluation of assets - net		(143,109)	(312,611)
		5,850,632	5,820,120
CONTINGENCIES AND COMMITMENTS	9	-	-

The annexed notes from 1 to 13 form an integral part of these accounts.



PRESIDENT AND CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



DIRECTOR

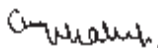
Condensed Interim Profit and Loss Account (Unaudited)
For the quarter ended March 31, 2009

Notes	Quarter ended March 31, 2009	Quarter ended March 31, 2008
	Rupees in '000'	
Mark-up / Return / Interest earned	841,345	366,609
Mark-up / Return / Interest expensed	<u>(590,525)</u>	<u>(153,722)</u>
Net Mark-up / Interest Income	250,820	212,887
Provision against non-performing advances	128,804	-
Provision for diminution in the value of investments	71,949	-
Bad debts written off directly	-	-
	<u>200,753</u>	<u>-</u>
Net Mark-up / Interest Income after provisions	50,067	212,887
NON MARK-UP / INTEREST INCOME		
Fee, Commission and Brokerage Income	13,813	18,334
Dividend Income	8,813	69,220
Income from trading in government securities	11,465	-
(Loss) / Income from dealing in foreign currencies	10 (8,157)	2,313
Gain on sale of investment	4,179	581
Unrealized Gain / (Loss) on revaluation of investments classified as held for trading	78	-
Other Income	1,225	1,102
Total non-Mark-up / Interest Income	<u>31,416</u>	<u>91,550</u>
	81,483	304,437
NON MARK-UP / INTEREST EXPENSES		
Administrative expenses	(229,741)	(124,750)
Other provisions / write-offs	-	-
Other charges	(1,221)	(460)
Total non mark-up / interest expenses	<u>(230,962)</u>	<u>(125,210)</u>
Extra ordinary / Unusual items	-	-
(LOSS) / PROFIT BEFORE TAXATION	<u>(149,749)</u>	<u>179,227</u>
Taxation:		
- Current	(1,915)	(32,830)
- Prior years	-	-
- Deferred	12,404	355
	<u>10,489</u>	<u>(32,475)</u>
(LOSS) / PROFIT AFTER TAXATION	<u>(138,990)</u>	<u>146,752</u>
Unappropriated (loss) / profit brought forward	<u>(182,097)</u>	<u>192,744</u>
(Loss) / Profit available for appropriation	<u>(321,087)</u>	<u>339,496</u>
Basic and Diluted (loss) / earnings per share	<u>(0.278)</u>	<u>0.294</u>

The annexed notes from 1 to 13 form an integral part of these accounts.



PRESIDENT AND CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



DIRECTOR

Condensed Interim Cash Flow Statement (Unaudited)
For the quarter ended March 31, 2009

Notes	March 31, 2009	March 31, 2008
	Rupees in '000'	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(149,479)	179,227
Less: Dividend income	(8,813)	(69,220)
	<u>(158,292)</u>	<u>110,007</u>
Depreciation	17,894	11,848
Amortization	6,785	6,483
Provision for non-performing advances	128,804	-
Provision for diminution in the value of investments	71,949	-
Unrealized (Gain) / Loss on revaluation of Investment Held for Trading	(78)	-
Reversal of Unrealized Gain / (loss) on revaluation of Investment Held for trading	-	(6,797)
(Gain) on sale of fixed assets	(29)	-
	<u>225,325</u>	<u>11,534</u>
	67,033	121,541
(Increase) / decrease in operating assets		
Lendings to financial institutions	145,624	2,005,582
Net investments in held for trading securities	(117,183)	68,749
Advances	703,508	(3,720,184)
Others assets	66,265	69,418
	798,214	(1,576,435)
Increase / (decrease) in operating liabilities		
Bills payable	(10,771)	54,508
Borrowings from financial institutions	108,223	(853,230)
Deposits and other accounts	4,101,928	4,147,061
Other liabilities	163,375	(8,164)
	<u>4,362,755</u>	<u>3,340,175</u>
	5,228,002	1,885,281
Income tax paid	(850)	(9,704)
Net cash flow from operating activities	<u>5,227,152</u>	<u>1,875,577</u>

Condensed Interim Cash Flow Statement (Unaudited)
For the quarter ended March 31, 2009

	Notes	March 31, 2009	March 31, 2008
Rupees in '000'			
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(4,749,846)	(1,358,809)
Dividend income		7,422	8,149
Investments in operating fixed assets		(241,091)	(121,932)
Sale proceeds of property and equipment disposed-of		<u>141</u>	<u>-</u>
Net cash flow used in investing activities		<u>(4,983,374)</u>	<u>(1,472,592)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of share capital		-	-
Premium on issue of share capital		-	-
Cash flow from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		243,778	402,985
Cash and cash equivalents at beginning of the period		1,415,229	806,396
Cash and cash equivalents at end of the period		<u>1,659,007</u>	<u>1,209,381</u>

The annexed notes from 1 to 13 form an integral part of these accounts.


PRESIDENT AND CHIEF EXECUTIVE


DIRECTOR


DIRECTOR


DIRECTOR

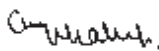
Condensed Interim Statement of Changes in Equity (Unaudited)
For the quarter ended March 31, 2009

	Share Capital	Reserves			Total	Unappropriated Profit / (Loss)	Total Equity
		Share Premium	Statutory Reserve	General Reserve			
Rupees in '000'							
Balance as at December 31, 2007	4,500,000	1,500,000	64,828	66,567	1,631,395	192,744	6,324,139
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)	-
Balance as at March 31, 2008	4,500,000	1,500,000	94,178	250,000	1,844,178	126,713	6,470,891
Issue of share capital	500,000	(500,000)	-	-	(500,000)	-	-
Loss after taxation for the period	-	-	-	-	-	(338,160)	(338,160)
Transferred to statutory reserve	-	-	(29,350)	-	(29,350)	29,350	-
Balance as at December 31, 2008	5,000,000	1,000,000	64,828	250,000	1,314,828	(182,097)	6,132,731
Loss after taxation for the period	-	-	-	-	-	(138,990)	(138,990)
Balance as at March 31, 2009	5,000,000	1,000,000	64,828	250,000	1,314,828	(321,087)	5,993,741

The annexed notes from 1 to 13 form an integral part of these accounts.



PRESIDENT AND CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



DIRECTOR

Notes to the Condensed Interim Financial Statements (Unaudited)

For the quarter ended March 31, 2009

1. STATUS AND NATURE OF BUSINESS

- 1.1 Arif Habib Bank Limited (the Bank) was incorporated in Pakistan as a public limited company on December 09, 2005 under the Companies Ordinance, 1984. Its registered office is situated at 2/1 R.Y. 16, Old Queens Road, Karachi in the province of Sindh. It is listed on all the Stock Exchanges of Pakistan.
- 1.2 The Bank is principally engaged in the business of banking company, through its 34 branches, as defined in the Banking Companies Ordinance, 1962. 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 are prepared and presented in accordance with BSD Circular Letter No.2 dated May 12, 2004 relating to format of interim financial statements, 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 as per BSD Circular letter No.10 dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, "Financial Instruments: Recognition and Measurement" and International Accounting Standard 40, "Investment Property" for Banking Companies. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However the investments have been classified and valued in accordance with the categories 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 May 12, 2004 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and these condensed interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2008.

3. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention, except that certain investments and commitments in respect of forward exchange contracts have been carried at revalued amount and staff retirement benefits (Gratuity) stated at present value.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in preparation of these condensed interim financial statements are the same as those adopted in the preparation of the annual financial statements of the Bank for the year ended December 31, 2008.

Notes to the Condensed Interim Financial Statements (Unaudited)
For the quarter ended March 31, 2009

Unaudited March 31, 2009			Audited December 31, 2008		
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 / certificates

Listed companies shares

-	-	-	-	-	-
117,183	-	117,183	-	-	-
117,183	-	117,183	-	-	-

Available for sale securities

Market Treasury Bills

Pakistan Investment

Bonds

Listed ordinary shares

Mutual funds units /

certificates

Sukuk Bonds

Term Finance Certificates

- Listed / Unlisted

5,169,983	1,566,804	6,736,787	733,602	1,574,702	2,308,304
365,129	-	365,129	364,608	-	364,608
640,832	-	640,832	422,738	211,021	633,759
168,244	-	168,244	156,229	-	156,229
497,551	-	497,551	400,000	-	400,000
1,713,583	90,500	1,804,083	1,599,880	-	1,599,880
8,555,322	1,657,304	10,212,626	3,677,057	1,785,723	5,462,780

Associates

Investments at Cost

Less: Provision for
diminution in value of
investments

112,773	-	112,773	112,773	-	112,773
8,785,278	1,657,304	10,442,582	3,789,830	1,785,723	5,575,553
(71,949)	-	(71,949)	-	-	-

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

- Held for trading

- Available for sale

78	-	78	-	-	-
(217,326)	(2,841)	(220,167)	(317,427)	(163,513)	(480,940)
(217,248)	(2,841)	(220,089)	(317,427)	(163,513)	(480,940)

Investments at cumulative
amount (net of provisions)

- at market value

<u>8,496,081</u>	<u>1,654,463</u>	<u>10,150,544</u>	<u>3,472,403</u>	<u>1,622,210</u>	<u>5,094,613</u>
------------------	------------------	-------------------	------------------	------------------	------------------

5.2

These includes mutual funds units / certificates of Pakistan Capital Protected Fund-1, Pakistan Strategic Allocation Fund, Pakistan Income Enhancement Fund and Pakistan Premier Fund Limited which are associated undertakings as per the Companies Ordinance, 1984 on the basis of common directorship in the management company operating these funds, however, for the purpose of measurement, it have been classified as available for sale as the Bank does not exercise any significant influence over them.

Notes to the Condensed Interim Financial Statements (Unaudited)
For the quarter ended March 31, 2009

- 5.3 SBP BSD Circular No. 4 dated February 13, 2009 has allowed to follow Securities and Exchange Commission of Pakistan (SECP) notification vide SRO 150 (1)/2009 dated February 13, 2009 allowing that the impairment loss, if any, recognized as on December 31, 2008, due to valuation of listed equity investments held as "Available for Sale" to quoted market prices may be shown under the equity. The amount taken to equity including any adjustment / effect for price movement shall be taken to profit and loss account on quarterly basis during the calendar year ending December 31, 2009. The amount taken to equity at December 31, 2008 shall be treated as a charge to profit and loss account for the purposes of distribution of dividend. The impairment loss based on the market values as at March 31, 2009 has been determined at Rs. 287.796 million (2008:Rs. 388.957 million). The Bank has charged 25% of the deficit i.e. Rs. 71.949 million to profit and loss account during current quarter in compliance with these guidelines.

Notes	Unaudited March 31, 2009	Audited December 31, 2008
	Rupees in '000'	
6. ADVANCES		
Loans, cash credits, running finance, etc.		
In Pakistan	15,402,087	16,346,866
Outside Pakistan	-	-
	15,402,087	16,346,866
Financing in respect of		
Continuous funding system (CFS)	208,901	2,516
Net Investment in finance lease		
In Pakistan	149,631	116,466
Outside Pakistan	-	-
	149,631	116,466
Bills discounted and purchased (excluding Treasury Bills)		
Payable in Pakistan	-	-
Payable outside Pakistan	46,214	44,493
	46,214	44,493
	6.1 & 6.3	16,510,341
Provision for non-performing advances	6.2	(751,663)
Advances - net of provision	14,926,366	15,758,678

- 6.1 The State Bank of Pakistan vide BSD Circular No.2 dated January 27, 2009, allowed the banks to take benefit of forced sale value (FSV) of pledge stocks, mortgage commercial and residential properties held as collateral against all NPLs for three years from the date of classification for calculating provisioning requirement with effect from December 31, 2008. The additional impact on profitability from availing the benefit shall not be available for payment of cash dividend or loans. The Bank has taken benefit offered by the said circular and the provision as a result of above has lower by Rs.102.811 million (2008:Rs.106.067 million). Had the above mentioned benefit of FSV of collateral not been accounted for as allowed under the circular issued by SBP, the loss before tax would have been higher by Rs.102.811 million (2008:Rs.106.067 million) and advances and total assets would have been lower by the same amount.

Notes to the Condensed Interim Financial Statements (Unaudited)
For the quarter ended March 31, 2009

- 6.2 Advances include Rs.2,606.985 million (2008: 2,693.654 million) which have been placed under non-performing status as detailed below: -

Category of Classification	Domestic	Overseas	Total Advances	Provision required	Provision held
	Rupees in '000'				
Substandard	1,307,035	—	1,307,035	185,571	185,571
Doubtful	791,493	—	791,493	238,752	238,752
Loss	508,457	—	508,457	456,144	456,144
	<u>2,606,985</u>	<u>—</u>	<u>2,606,985</u>	<u>880,467</u>	<u>880,467</u>

- 6.3 Segment wise breakup of advances by class of business is as follows:

Business segment	Advances-Net	
	Rupees '000'	Percentage
Agriculture, Forestry, Hunting and Fishing	—	—
Mining and Quarrying	300,000	2.01%
Textile	838,001	5.61%
Chemical and Pharmaceuticals	692,543	4.64%
Cement	663,017	4.44%
Sugar	179,845	1.20%
Footwear and Leather garments	8,295	0.06%
Automobile and transportation equipment	58,321	0.39%
Electronics and electrical appliances	147,057	0.99%
Construction	1,023,554	6.86%
Power (electricity), Gas, Water, Sanitary	2,337,872	15.66%
Wholesale and Retail Trade	274,790	1.84%
Exports/Imports	485,701	3.25%
Transport, Storage and Communication	500,000	3.35%
Financial	6,147,505	41.19%
Insurance	—	—
Services	335,411	2.25%
Individuals	246,706	1.65%
Others	687,748	4.61%
Advances- net	<u>14,926,366</u>	<u>100.00%</u>

	Unaudited March 31, 2009	Unaudited March 31, 2008
	Rupees in '000'	

7. OPERATING FIXED ASSETS - AT COST

7.1 Additions

Land	—	—
Building	139,536	—
Leasehold improvements	9,051	12,355
Furniture and fixtures	4,909	3,494
Electrical, office and computer equipment	51,737	22,746
Vehicles	5,050	37
Computer software	2,774	2,681

Notes to the Condensed Interim Financial Statements (Unaudited)
For the quarter ended March 31, 2009

	Unaudited March 31, 2009	Unaudited March 31, 2008
	Rupees in '000'	
7.2 Deletions		
Vehicles	113	—
Electrical, office and computer equipment	66	—
	Unaudited March 31, 2009	Audited December 31, 2008
	Rupees in '000'	
8. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	14,574,704	11,809,387
Savings deposits	4,893,130	3,630,055
Current accounts - Remunerative	—	—
Current accounts - Non-remunerative	942,502	751,320
Margin accounts	290,098	398,347
	<u>20,700,434</u>	<u>16,589,109</u>
Financial Institutions		
Remunerative deposits	—	—
Non-remunerative deposits	17,960	27,357
	<u>17,960</u>	<u>27,357</u>
	<u>20,718,394</u>	<u>16,616,466</u>
	Unaudited March 31, 2009	Audited December 31, 2008
	Rupees in '000'	
9. CONTINGENCIES AND COMMITMENTS		
9.1 Direct Credit Substitutes Contingent liability in respect of guarantees given favouring:		
Government	—	—
Banking companies and other financial institutions	—	—
Others	—	—
	—	—
9.2 Transaction-related contingent liabilities / commitments Guarantees given in favour of :		
Government	894,524	475,059
Banking companies and other financial institutions	801,550	6,550
Others	1,941,562	1,628,147
	<u>3,637,636</u>	<u>2,109,756</u>
9.3 Trade-related contingent liabilities		
Letters of credit	645,973	176,876
Acceptances	166,282	224,265
	<u>812,255</u>	<u>401,141</u>
9.4 Other contingencies - claims against bank not acknowledge as debt	83,903	83,903

Notes to the Condensed Interim Financial Statements (Unaudited)
For the quarter ended March 31, 2009

	Unaudited March 31, 2009	Audited December 31, 2008
	Rupees in '000'	
9.5	Commitments in respect of forward lending	
	–	–
	54,376	933,317
	6,993,110	21,272,326
	7,047,486	22,205,643
9.6	Commitments in respect of forward exchange contracts	
	887,275	993,085
9.7	Commitments for the acquisition of operating fixed assets	
	37,392	64,102
	–	–
	37,392	64,102
9.8	400,000	–

10 (LOSS) / GAIN FROM DEALING IN FOREIGN CURRENCIES

It is net off swap cost of Rs. 17.696 million incurred on Foreign Currency Accounts.

	Unaudited March 31, 2009	Unaudited March 31, 2008
	Rupees in '000'	
11	RELATED PARTY TRANSACTIONS	
11.1	Associated companies	
	Brokerage Services	
	–	338
	334	2,415
	Rent expense during the period	
	2,145	1,950
	Financing	
	40,441	26,977
	Unaudited March 31, 2009	Audited December 31, 2008
	Rupees in '000'	
	930,458	1,290,921
	598,158	6,253,956
	(578,225)	(6,614,419)
	950,391	930,458
	950	898
	152,479	152,479
	–	5,625

Notes to the Condensed Interim Financial Statements (Unaudited)
For the quarter ended March 31, 2009

	Notes	Unaudited March 31, 2009	Audited December 31, 2008
		Rupees in '000'	
11.2	Key Management Personnel		
	Advances		
	Balance at the beginning of the period/year	103,694	14,237
	Sanctioned / granted during the period/year	-	117,141
	Payment received during the period/year	<u>(2,574)</u>	<u>(27,684)</u>
	Balance at the end of the period/year	<u>101,120</u>	<u>103,694</u>
		Unaudited March 31, 2009	Unaudited March 31, 2008
		Rupees in '000'	
	Mark up earned during the period	<u>2,079</u>	<u>105</u>
		Unaudited March 31, 2009	Audited December 31, 2008
		Rupees in '000'	
11.3	Investments in shares of associated companies		
	Thatta Cement Company Limited - Shares	<u>112,773</u>	<u>112,773</u>
		Unaudited March 31, 2009	Unaudited March 31, 2008
		Rupees in '000'	
	Capital (loss) / gain incurred / earned during the period	<u>-</u>	<u>(59,743)</u>
		Unaudited March 31, 2009	Audited December 31, 2008
		Rupees in '000'	
11.4	Deposits - associated persons / companies		
	Balance at the beginning of the period/year	1,489,978	207,098
	Deposits during the period/year	26,756,968	313,227,211
	Withdrawal during the period/year	<u>(26,576,210)</u>	<u>(311,944,331)</u>
	Balance at the end of the period/year	1,670,736	1,489,978
	Mark up payable	<u>11,593</u>	<u>8,209</u>

Notes to the Condensed Interim Financial Statements (Unaudited)
For the quarter ended March 31, 2009

	Unaudited March 31, 2009	Unaudited March 31, 2008
	Rupees in '000'	
Mark up expensed during the period	41,603	59,702
Mark up paid	<u>38,219</u>	<u>37,172</u>
	Unaudited March 31, 2009	Audited December 31, 2008
	Rupees in '000'	
11.5 Deposit - Key Management Personnel		
Balance at the beginning of the period/year	3,934	404,049
Deposits during the period/year	2,176,496	37,327,191
Withdrawal during the period/year	(2,163,329)	(37,727,306)
Balance at the end of the period/year	17,101	3,934
Mark up payable	<u>198</u>	<u>22</u>
	Unaudited March 31, 2009	Unaudited March 31, 2008
	Rupees in '000'	
11.6 Defined Contribution Plan		
Contribution paid to provident fund	<u>543</u>	<u>1,849</u>
	Unaudited March 31, 2009	Audited December 31, 2008
	Rupees in '000'	
11.7 Contingencies - associated companies		
Guarantees, letter of credit and acceptances	<u>264,366</u>	<u>164,775</u>

12. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial statements were authorized for issue on April 25, 2009 by the Board of Directors of the bank.

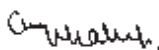
13. GENERAL

13.1 These condensed interim financial statements are unaudited and are as required by the Code of Corporate Governance. These financial statements are circulated to the shareholders as required by section 245 of the Companies Ordinance, 1984.

13.2 Figures have been rounded off to the nearest thousand rupee.



PRESIDENT AND CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



DIRECTOR

Branch Network

KARACHI (17 Branches)

Head Office

Arif Habib Center 23
M.T. Khan Road,
Karachi - 74000
UAN: (021) 111-124-725
Tel: 021-2437892,
021-2436519
Fax: 021-2435736

I.I. Chundrigar Road Branch

I.I. Chundrigar Road, Karachi
Tel: 021-2466410-3
Fax: 021-2466500

Boat Basin Branch

Ground Floor, FL-4,
Hanging Garden, Block-5,
Boat Basin, Clifton, Karachi.
Tel: 021-5824171-80
Fax: 021-5824163

Atrium Mall Branch

Shop 6 & 21, Ground Floor,
Atrium Mall, Staff Lines
Zaibunnisa Street,
Saddar, Karachi.
Tel: 021-5641000-3,
021-5641007
Fax: 021-5641008

Gulshan-e-Iqbal Branch

Ground floor, Shop No.CA1-2-3,
CA25-26-27-28, Hasan Center,
Main University Road,
Gulshan-e-Iqbal, Karachi.
Tel: 021-4829024, 4829027
Fax: 021-4829023

Karachi Stock

Exchange Branch

Room No. 60-63,
1st Floor, Karachi Stock
Exchange Building, Karachi
Tel: 021-2462844-49,
021-2462829-30
Fax: 021-2462843

Cloth Market Branch

28th Cochinwala Market,
Laxmidas Street,
Karachi
Tel: 021-2443651,
021-2443591,
021-2443871
Fax: 021-2443821

Korangi Branch

33/1, Sector 15,
Korangi Industrial Area
Road, Karachi
Tel: 021-5114282,
021-5114290

Gulistan-e-Jauhar Sub Branch

Plot No. 118/A-B,
Shop No. 02-03-04
Ground Floor, Ruffi Paradise,
Block-18, Gulistan-e-Jauhar,
K.D.A, Scheme No. 36,
Karachi.
Tel: 021-2621281-4
Fax: 021-2621285

Dolmen City Sub-Branch

Ground Floor, Harbour Front,
Triangular Tower, Dolmen City,
Marine Drive, Block 4,
Clifton, Karachi
Tel: 021-5297611-15
Fax: 021-5297610

Jami Commercial DHA Branch

64-C, 7th Street, Phase 7,
Jami Commercial, DHA,
Karachi
Tel: 021-5316200-7
Fax: 021-5316208

Adamjee Nagar Branch

Plot No. 115 A/Z,
Adamjee Nagar,
Tipu Sultan Road, Karachi.
Tel: 021-4312984-7
Fax: 021-4312980

Hyderi Branch

D-10 Block-F, North
Nazimabad, Hyderi.
Karachi.
Tel: 021-6724972-74
Fax: 021-6724971

Bahadurabad Sub-Branch

CCA, Bihar Muslim
Commercial Area,
Bahadurabad, Karachi
Tel: 021-4913447
021-4913449,
021-4913451
Fax: 021-4913453

SITE Sub-Branch

B 49, State Avenue,
SITE Karachi
Tel: 021-2589662,
021-2589663 (2 Lines)
Fax: 021-2589661

M. A. Jinnah Road Branch

Ram Bagh Quarters,
M.A. Jinnah Road, Karachi
Tel : 021-2218395,
021-2218409,
021-92218428,
021-2218430,
021-2218433
Fax: 021-2218376

Nooriabad Branch

Nooriabad Industrial Area,
Nooriabad Karachi
Tel: 025-4670433
Fax: 025-4670434

LAHORE (5 Branches)

DHA "Y" Block Branch

163, Y Block,
Phase III, D.H.A.,
Lahore Cantt.
Tel 042-5749069
042-5749071
Fax: 042-5749070

Lahore Stock

Exchange Branch

Office No. 5, 6,
19th Awan-e-Iqbal Road
Lahore Stock Exchange
Building, Lahore
Tel: 042-6280853-6
Fax: 042-6280851

Multan Road Branch

Plot No. 9/A,
Scheme more
Corner, Allama Iqbal Town,
Multan Road, Lahore.
Tel: 042-7497451-6
Fax: 042-7497450

Branch Network

Gulberg Branch

Main Boulevard,
Gulberg Lahore
Tel: 042-5870832-33
Fax: 042-5870834

Ferozepur Road Branch

Main Ferozepur Road, Lahore,
Siza Farmer Factory, Sufiabad,
Tel: 042-5800096-98
Fax: 042-5800094

ISLAMABAD (3 Branches)

Islamabad Branch

6B. F-6, Super Market
Islamabad
Tel: 051-2279167-70
Fax: 051-2279166

Islamabad Stock Exchange Branch

Shop No. 05, Al-Khair Plaza
Blue Area, Islamabad
Tel: 051-2806281-3
Fax: 051-2806280

Rawalpindi Branch

Plot No. 27, Bank Road,
Rawalpindi
Tel: 051-5120713-8
Fax: 051-5120712

MULTAN (2 Branches)

Abdali Road Branch

66-AB/9, Abdali Road,
Multan
Tel: 061-4573729,
061-4572519
Fax: 061-4516762

Hussain Agahi Road Branch

Zenith Market,
Chowk Bazar, Multan
Tel: 061-4511025, 4511029
061-4511031, 4511037
Fax: 061-4511193

FAISALABAD (2 Branches)

Yarn Market Branch

Property # 7, Yarn Market,
Ghunta Ghar, Faisalabad
Tel: 041-2619885, 2619746
041-2465504
Fax: 041-2619884

Liaquat Road Sub-Branch

Liaquat Road, Faisalabad
Tel: 041-2541256-60
041-2541261-64
Fax: 041-2541255

GUJRANWALA (1 Branch)

Gujranwala Branch

Main GT Road,
Gujranwala
Tel: 055-3820970-74
Fax: 055- 3820967

GUJRAT (1 Branch)

Gujrat Branch

Main GT Road, Gujrat
Tel: 053-3517051-54
Fax: 053-3516493

PESHAWAR (1 Branch)

Deans Trade Center,
Islamia Road, Peshawar
Tel: 091-5253981-5
Fax: 091-5253080

SADIQABAD (1 Branch)

Sadiqabad Branch

KLP Road, Sadiqabad
Tel: 068-5786791-93
Fax: 068-5786300

MIRPUR AJK (1 Branch)

Mirpur Azad Kashmir Branch

NS Tower, Kotli Road,
Mirpur Azad Kashmir
Tel: 058610-37193-96
Fax: 058610-37192

SIALKOT (1 Branch)

Sialkot Branch

Paris Road, Sialkot
Tel: 052-4602894-97
Fax: 052-4601310

Arif Habib  Bank

Arif Habib Center 23, M.T. Khan Road, Karachi - 74000
UAN: (021) 111-124-725 Toll Free: 0800-24252 Website: www.arifhabibbank.com Email: info@arifhabibbank.com