

**Condensed Interim Financial Statements**  
for the quarter ended March 31, 2009

Crafting value, enhancing creativity...

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## Board of Directors

Mohammad Nacem Mukhtar  
*Chairman*

Sheikh Mukhtar Ahmad

Mohammad Waseem Mukhtar

Abdul Aziz Khan

Sheikh Jalees Ahmed

Farrakh Qayyum  
*Government Nominee*

Nazrat Bashir  
*Government Nominee*

Tasneem M. Noorani

Mubashir A. Akhtar

Pervaiz Iqbal Butt

Mohammad Aftab Manzoor  
*Chief Executive Officer*

## Audit Committee

Sheikh Mukhtar Ahmad  
*Chairman*

Farrakh Qayyum  
*Member*

Mubashir A. Akhtar  
*Member*

Sheikh Jalees Ahmed  
*Member*

## Company Secretary

Waheed-Ur-Rehman, FCA

## Auditors

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

KPMG Taseer Hadi & Co.  
*Chartered Accountants*

## Legal Adviser

Haidermota and Company,  
*Advocates and Solicitors*

## Shares Registrar

Technology Trade (Pvt.) Ltd.

## Central Office

Bath Island, Khayaban-e-Iqbal,  
Main Clifton Road,  
Karachi – 75600  
UAN: (92 21) 111-110-110

## Head Office/Registered Office

8-Kashmir / Egerton Road,  
Lahore  
UAN: (92 42) 111-110-110

## Website & Email

www.abl.com  
E-mail: info@abl.com

## Toll Free Number

0800-22522

## Vision

To become a dynamic and efficient bank providing integrated solutions in order to be the first choice bank for the customers

## Mission

To provide value added services to our customers

To provide high tech innovative solutions to meet customers' requirements

To create sustainable value through growth, efficiency and diversity for all stakeholders

To provide a challenging work environment and reward dedicated team members according to their abilities and performance

To play a proactive role in contributing towards the society

## Core Values

Integrity

Excellence in Service

High Performance

Innovation and Growth

# Directors' Review

## for the quarter ended March 31, 2009

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Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the financial results of Allied Bank Limited for the three months ended March 31, 2009.

### Financial Highlights

	(Rupees in million)		Growth
	Three months ended March 31		
	2009	2008	
Profit after tax	1,448	1,357	6.7%
Un-appropriated profits brought forward	8,537	6,971	22.5%
Transfer from surplus on revaluation of fixed assets – net of tax	8.1	4.4	84.1%
Profit available for appropriation	9,993	8,333	19.9%
Final cash dividend for the year ended December 31, 2008 (2008: year ended December 31, 2007) at Rs.1 per share (2008: Rs.1.5 per share)	(646)	(808)	(20.0%)
Transfer to Statutory Reserves	(290)	(271)	7.0%
Un-appropriated profits carried forward	9,057	7,254	24.9%
Earnings per share (EPS) for three months (Rs.)	2.24	2.10	6.7%

### Economic and Financial Overview

The economy of Pakistan has started showing the signs of improvement and almost all the economic indicators show a positive trend. However many milestones have yet to be achieved to put the economy back on the track of stability and growth.

In this challenging scenario the strategy of your bank is to treat 2009 as a year of consolidation and to focus on the quality of assets and improve the deposit mix to reduce cost to ensure steady growth in profit of your bank. At the end of the quarter under review, your bank managed to change the deposit mix by improving its Current Accounts and Saving Accounts (CASA) mix to 52.6% as against 50.5% as on December 31, 2008. Reliance on costly deposits has been further reduced and its share in the total deposit has come down to 47.4% as compared to 49.5% as on December 31, 2008. In line with this strategy the Balance Sheet size of your bank is at Rs. 347,697 million, whereas equity of the bank increased by 11.0% over December 2008 to reach Rs. 24,810 million. The total deposits are at Rs.284,683 million as on March 31, 2009 as against Rs.297,475 million on December 31, 2008. The loan portfolio of your bank stands at Rs.203,542 million as on March 31, 2009 as compared to Rs.223,640 million as on December 31, 2008.

During the quarter under review (Q1'09), markup income grew by 60% led primarily by improved yield on earning assets. Cost of deposits increased by 68% during Q1'09. The major reasons for the increase in cost of deposits are the SBP regulation of paying profit at a minimum of 5%, effective June 1, 2008, on all PLS deposits and the staggered increases of 500 basis points in the SBP's discount rate during year 2008. Net interest income, increased by 49% during Q1'09 to Rs.4,313 million as compared to Rs.2,889 million during the corresponding quarter of the previous year. Due to improved deposit mix, interest rate spread increased to 6.3% as compared to 5.7% during the year 2008.

Your bank has achieved an operating profit of Rs 3,302 million for the Q1'09, up by 38% over corresponding period of last year (Q1'08) and profit after tax of Rs 1,448 million, an increase of 6.7% over Rs. 1,357 million for Q1'08.

**Impairment on Available for Sale Listed Equity Instruments**

SBP BSD Circular dated February 13, 2009 allowed to follow Securities and Exchange Commission of Pakistan (SECP) notification 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" may be shown under the equity. The amount taken to equity including any adjustment/effect for price movements shall be taken to Profit and Loss Account on quarterly basis during the year ending December 31, 2009.

As a prudent policy, your bank opted to charge to the profit and loss account for the year 2008 Rs. 1,687 million of the total impairment amount and carried forward the balance amount of Rs.1,859 million to the year 2009. After the improvement in the Karachi Stock Exchange Index, this has reduced to Rs.503 million as on March 31, 2009. In accordance with guidelines of the SECP and SBP circulars stated above, the first quarter impairment of Rs.126 million is recognized in the Profit and Loss Account and balance of Rs. 377 million is included in the total amount of revaluation surplus/deficit reported under equity as at March 31, 2009.

The full recognition of impairment loss based on the market values as at March 31, 2009 would have had the following effect on these financial statements:

	Rupees in '000
Increase in 'Impairment Loss' in Profit and Loss Account	377,309
Decrease in tax charge for the year	132,058
Decrease in profit for the year - after tax	245,251
Decrease in earnings per share - after tax (basic and diluted) (Rs.)	0.38
Decrease in deficit on revaluation of available for sale securities	377,309
Decrease in un-appropriated profit	245,251

**Allied Bank Receives IFC Trade Guarantees for Cleaner and Energy Efficient Equipment**

International Finance Corporation (IFC), a member of the World Bank Group, has sanctioned your bank a sustainable finance facility, which issues trade guarantees for cleaner and more energy-efficient equipment. Under this facility, IFC will issue guarantees against Allied Banks' underlying trade transactions, covering payment risk and helping increase Pakistan's global trade volumes. Under the sustainable finance facility, a part of the IFC Global Trade Finance Program, banks can seek coverage for trade transactions involving goods that satisfy IFC's eligibility guidelines for sustainability. As part of the agreement, IFC will also train your bank's human resource regarding the transactions to meet their sustainability guidelines.

International trade is an important component of our strategy and vision of your bank. We are confident that through this alliance with IFC, we will provide our trade customers with greater choices, while ensuring that the bank is better positioned in terms of future growth opportunities.

# Directors' Review

for the quarter ended March 31, 2009

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## Future Outlook

Pakistan has been provided by International Monetary Fund's Stand-by Agreement (SBA) support while the external commodity pressures have also subsided. An amount of US\$3.9 billion under the SBA has also been received which has improved the country's foreign exchange reserves to US\$11,200 million. Global commodity prices have declined by more than 60% ~ 75% from their peak. On the domestic front, there is significant improvement in the macroeconomic indicators i.e. exchange rate, inflation, domestic and external balance. Downward trends are visible in Inflationary aggregates and are expected to witness significant reduction during the coming months.

Under these circumstances, your bank would continue to adhere to its strategy of consolidation and foresees that this will result in increased profits during the year 2009.

## Acknowledgment

We take this opportunity to thank our valued customers for their patronage, to our employees for their continued commitment, our shareholders for their trust and confidence and State Bank of Pakistan and other regulatory bodies for their continued guidance.

**Mohammad Aftab Manzoor**  
Chief Executive Officer

**Mohammad Naeem Mukhtar**  
Chairman

Dated: April 25, 2009  
Place: Faisalabad

# Unconsolidated Condensed Interim Balance Sheet

as at March 31, 2009

	Note	Un-audited March 31, 2009	Audited December 31, 2008
Rupees in '000'			
<b>ASSETS</b>			
Cash and balances with treasury banks		21,779,334	23,653,754
Balances with other banks		2,430,034	2,096,779
Lendings to financial institutions	5	13,636,934	15,793,183
Investments	6	88,235,926	82,631,118
Advances	7	192,536,652	212,972,008
Other assets		17,386,107	17,369,691
Operating fixed assets	8	11,501,959	11,134,436
Deferred tax assets – net		190,426	1,029,223
		<b>347,697,372</b>	<b>366,680,192</b>
<b>LIABILITIES</b>			
Bills payable		2,925,008	2,952,490
Borrowings from financial institutions		20,721,245	27,778,151
Deposits and other accounts	9	284,683,211	297,475,321
Sub-ordinated loans		2,498,000	2,498,000
Liabilities against assets subject to finance lease		–	–
Other liabilities	10	12,060,211	13,620,616
Deferred tax liabilities		–	–
		<b>322,887,675</b>	<b>344,324,578</b>
<b>NET ASSETS</b>			
		<b>24,809,697</b>	<b>22,355,614</b>
<b>REPRESENTED BY</b>			
Share capital	11	6,463,644	6,463,644
Reserves		6,094,403	5,804,776
Unappropriated profit		9,056,932	8,536,697
		<b>21,614,979</b>	<b>20,805,117</b>
Surplus on revaluation of assets – net of tax		3,194,718	1,550,497
		<b>24,809,697</b>	<b>22,355,614</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
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The annexed notes 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

The detail of valuation of investment, impairment and impact on profit and loss account are given in note 6.2.

Chief Financial Officer

President and Chief Executive

Director

Director

Director



# Unconsolidated Condensed Interim Profit and Loss Account

(Un-audited) for the quarter ended March 31, 2009

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Note	Quarter Ended March 31, 2009	Quarter Ended March 31, 2008
	Rupees in '000'	
Mark-up/return/interest earned	10,233,049	6,409,432
Mark-up/return/interest expensed	5,919,672	3,520,049
Net mark-up/interest income	4,313,377	2,889,383
Provision against non-performing loans and advances (including general/other provision) – net	815,009	404,159
Provision/(Reversal) of provision for diminution in the value of investments – net	125,770	(1,791)
Bad debts written off directly	282	1
	941,061	402,369
Net mark-up/ interest income after provisions	3,372,316	2,487,014
<b>NON MARK-UP/INTEREST INCOME</b>		
Fee, commission and brokerage income	637,948	619,758
Dividend income	260,584	251,466
Income from trading in government securities	–	–
Income from dealing in foreign currencies	287,570	88,824
Income from sale and purchase of other securities	19,290	90,335
Unrealised loss on revaluation of investments classified as held for trading	(592)	(2,525)
Other income	5,710	10,556
Total non-mark-up/interest income	1,210,510	1,058,414
	4,582,826	3,545,428
<b>NON MARK-UP/INTEREST EXPENSES</b>		
Administrative expenses	2,110,956	1,547,679
Provision against other assets	32,000	–
Provision/(reversal) of provision against off-balance sheet obligations	90,681	(12,719)
Other charges	110,659	2,984
Total non-mark-up/interest expenses	2,344,296	1,537,944
	2,238,530	2,007,484
Extra ordinary/unusual items	–	–
<b>PROFIT BEFORE TAXATION</b>	2,238,530	2,007,484
<b>Taxation</b>		
Current	841,302	636,918
Prior years	–	–
Deferred	(50,908)	13,339
	790,394	650,257
<b>PROFIT AFTER TAXATION</b>	1,448,136	1,357,227
Unappropriated profit brought forward	8,536,697	6,971,308
Transfer from surplus on revaluation of fixed assets – net of tax	8,090	4,386
	8,544,787	6,975,694
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>	9,992,923	8,332,921
Earning per share – Basic and Diluted (in Rupees)	13 2.24	2.10

The annexed notes 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

The detail of valuation of investment, impairment and impact on profit and loss account are given in note 6.2.

Chief Financial Officer

President and Chief Executive

Director

Director

Director

# Unconsolidated Condensed Interim Cash Flow Statement

(Un-audited) for the quarter ended March 31, 2009

	Quarter Ended March 31, 2009	Quarter Ended March 31, 2008
	Rupees in '000'	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,238,530	2,007,484
Less: Dividend income	260,584	251,466
	1,977,946	1,756,018
<b>Adjustments for non-cash charges</b>		
Depreciation/amortisation	148,876	89,999
Provision against non-performing loans and advances (including general/other provision)	815,009	404,159
Provision/(reversal) of provision for diminution in the value of investments	125,770	(1,791)
Unrealised loss on revaluation of held for trading securities	592	2,525
Provision/(reversal) of provision against off balance sheet items	90,681	(12,719)
Provision against other assets	32,000	-
Net loss on sale of property and equipment	703	1,636
Bad debts written off directly	282	1
	1,213,913	483,810
	3,191,859	2,239,828
<b>(Increase)/decrease in operating assets</b>		
Lendings to financial institutions	2,156,249	1,024,922
Held for trading securities	(33,487)	(52,388)
Advances	19,620,065	(8,349,809)
Other assets (excluding advance taxation)	311,810	(1,422,906)
	22,054,637	(8,800,181)
<b>Increase/(decrease) in operating liabilities</b>		
Bills payable	(27,482)	(407,619)
Borrowings from financial institutions	(6,985,340)	(3,133,526)
Deposits	(12,792,110)	13,881,309
Other liabilities	(1,716,982)	58,134
	(21,521,914)	10,398,298
	3,724,582	3,837,945
Income tax paid	(1,139,557)	(533,228)
<b>Net cash flow from operating activities</b>	<b>2,585,025</b>	<b>3,304,717</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	(3,224,020)	4,355,726
Net investment in held-to-maturity securities	68,354	(6,496,984)
Dividend income	198,612	29,508
Investments in operating fixed assets	(522,714)	(476,752)
Proceeds from sale of fixed assets	5,612	5,597
<b>Net cash flow used in investing activities</b>	<b>(3,474,156)</b>	<b>(2,582,905)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(580,468)	(576)
<b>Net cash flow used in financing activities</b>	<b>(580,468)</b>	<b>(576)</b>
<b>Increase/(decrease) in cash and cash equivalents during the period</b>	<b>(1,469,599)</b>	<b>721,236</b>
Cash and cash equivalents at beginning of the period	25,617,627	30,352,711
<b>Cash and cash equivalents at end of the period</b>	<b>24,148,028</b>	<b>31,073,947</b>

The annexed notes 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

President and Chief Executive

Director

Director

Director

# Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited) for the quarter ended March 31, 2009

	Share Capital	Share Premium	Statutory Reserve	Bonus Issue Reserve	Special Reserve* Rupees in '000	Merger Reserve*	General Reserve	Un-appropriated Profit	Total
Balance as at January 1, 2008	5,386,370	3,418,596	2,224,258	-	67,995	333,864	6,000	6,971,308	18,408,391
<b>Changes in equity during the quarter ended March 31, 2008</b>									
Profit after taxation for the quarter ended March 31, 2008	-	-	-	-	-	-	-	1,357,227	1,357,227
Transferred from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	4,386	4,386
Net income recognised directly in equity	-	-	-	-	-	-	-	4,386	4,386
Total recognised income for the quarter ended March 31, 2008	-	-	-	-	-	-	-	1,361,613	1,361,613
Transfer to statutory reserve	-	-	271,445	-	-	-	-	(271,445)	-
Bonus issue for the year ended December 31, 2007 declared subsequent to year end @ 20%	1,077,274	(1,077,274)	-	-	-	-	-	-	-
Final cash dividend for the year ended December 31, 2007 declared subsequent to year end (Rs. 1.50 per Ordinary share)	-	-	-	-	-	-	-	(807,955)	(807,955)
Balance as at March 31, 2008	6,463,644	2,341,322	2,495,703	-	67,995	333,864	6,000	7,253,521	18,962,049
<b>Changes in equity during nine months ended December 31, 2008</b>									
Profit after taxation for nine months ended December 31, 2008	-	-	-	-	-	-	-	2,799,459	2,799,459
Transferred from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	13,155	13,155
Net income recognised directly in equity	-	-	-	-	-	-	-	13,155	13,155
Total recognised income for the nine months ended December 31, 2008	-	-	-	-	-	-	-	2,812,614	2,812,614
Transfer to statutory reserve	-	-	559,892	-	-	-	-	(559,892)	-
Interim cash dividend for the year ended December 31, 2008 (Rs. 1.50 per Ordinary share)	-	-	-	-	-	-	-	(969,546)	(969,546)
Balance as at December 31, 2008	6,463,644	2,341,322	3,055,595	-	67,995	333,864	6,000	8,536,697	20,805,117
<b>Changes in equity during the quarter ended March 31, 2009</b>									
Profit after taxation for the quarter ended March 31, 2009	-	-	-	-	-	-	-	1,448,136	1,448,136
Transferred from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	8,090	8,090
Net income recognised directly in equity	-	-	-	-	-	-	-	8,090	8,090
Total recognised income for the quarter ended March 31, 2009	-	-	-	-	-	-	-	1,456,226	1,456,226
Transfer to statutory reserve	-	-	289,627	-	-	-	-	(289,627)	-
Bonus issue for the year ended December 31, 2008 declared subsequent to year end @ 10%	-	(646,364)	-	646,364	-	-	-	-	-
Final cash dividend for the year ended December 31, 2008 declared subsequent to year end (Rs. 1.00 per Ordinary share)	-	-	-	-	-	-	-	(646,364)	(646,364)
Balance as at March 31, 2009	6,463,644	1,694,958	3,345,222	646,364	67,995	333,864	6,000	9,056,932	21,614,979

\*These were created as a result of merger of Ibrahim Leasing Limited and First Allied Bank Modaraba into Allied Bank Limited.

The annexed notes 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

President and Chief Executive

Director

Director

Director

**1. STATUS AND NATURE OF BUSINESS**

Allied Bank Limited (the Bank), incorporated in Pakistan, is a scheduled Bank, engaged in commercial banking and related services. The Bank is listed on all stock exchanges in Pakistan. The Bank operates a total of 766 (2008: 766) branches in Pakistan including the Karachi Export Processing Zone Branch (overseas business unit). The long term credit rating of the Bank assigned by The Pakistan Credit Rating Agency Limited (PACRA) is 'AA'. Short term rating of the Bank is 'A1+'. The Bank is a holding company of ABL Asset Management Company Limited.

The registered office of the Bank is situated in Lahore whereas the principal office is situated at Khayaban – Iqbal, Main Clifton Road, Bath Island, Karachi.

**2. STATEMENT OF COMPLIANCE**

2.1 These unconsolidated condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved Accounting Standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984, and the directives issued by SBP. In case requirements differ, the provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Ordinance, 1984 shall prevail.

2.2 The SBP, vide BSD Circular No. 10, dated August 26, 2002 had deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for Banking companies till further instructions. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by SBP through various circulars.

**3. BASIS OF PRESENTATION**

3.1 The disclosures made in these unconsolidated condensed interim financial statements have, however been limited based on the format prescribed by the State Bank of Pakistan, vide BSD Circular No. 2 dated May 12, 2004 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the unconsolidated financial statements of the Bank for the year ended December 31, 2008.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES**

4.1 The accounting policies, underlying estimates and methods of computation followed in the preparation of these unconsolidated condensed interim financial statements are same as those applied in preparing the most recent annual unconsolidated financial statements of the Bank.

# Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2009

	Note	Un-audited March 31, 2009 Rupees in '000'	Audited December 31, 2008
<b>5. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call money lendings	5.1	1,000,000	100,000
Letters of placement	5.2	333,000	736,000
Repurchase agreement lendings (Reverse Repo)	5.3	11,303,934	14,957,183
Certificates of investment	5.4	1,000,000	–
		<u>13,636,934</u>	<u>15,793,183</u>

5.1 These are unsecured lendings to Financial Institutions, carrying mark –up at rates, ranging between 11.45% and 14.90% (December 31, 2008 at the rate of 15.40%) per annum and maturing on various dates, latest by June 19, 2009.

5.2 These are clean placement with Non –Banking Finance Companies, carrying mark –up at the rates of 0.00% and 16.10% (December 31, 2008: 18.90% and 20.00%) per annum and maturing on various dates, latest by January 01, 2010.

5.3 These are short –term lendings to various financial institutions against government securities, carrying mark –up at rates, ranging between 10.25% and 12.75% (December 31, 2008: 10.00% and 14.90%) per annum and maturing on various dates, latest by April 30, 2009.

5.4 The certificates of investments carrying mark –up at rates, ranging between 13.50% and 17.25% (December 31, 2008: Nil ) per annum and maturing on various dates, latest by June 16, 2009.

## 6. INVESTMENTS

	Note	Held by Bank	Given as collateral Rupees in '000'	Total
Current period – March 31, 2009 (Un-audited)	6.1	<u>87,443,462</u>	<u>792,464</u>	<u>88,235,926</u>
Prior year corresponding period – December 31, 2008 (Audited)	6.1	<u>74,433,540</u>	<u>8,197,578</u>	<u>82,631,118</u>

# Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2009

	Un-audited As at March 31, 2009			Audited As at December 31, 2008		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
Rupees in '000'						
<b>6.1 Investments by types</b>						
<b>Held-for-trading securities</b>						
Ordinary Shares of listed companies	33,487	–	33,487	–	–	–
<b>Available for sale securities</b>						
Market Treasury Bills	24,057,445	787,800	24,845,245	26,512,476	8,197,541	34,710,017
Pakistan Investment Bonds	445,774	–	445,774	445,580	–	445,580
Ordinary Shares / Certificates of listed companies	7,253,150	–	7,253,150	6,672,140	–	6,672,140
Preference Shares of listed companies	250,000	–	250,000	250,000	–	250,000
Units of Open –End Mutual Funds	12,496,149	–	12,496,149	12,761,149	–	12,761,149
Ordinary Shares of unlisted companies	229,821	–	229,821	544,822	–	544,822
Ordinary Shares of unlisted companies – (related parties)	1,334,805	–	1,334,805	447,853	–	447,853
Pre IPO Investments	35,000	–	35,000	35,000	–	35,000
Sukuk Bonds	3,166,507	–	3,166,507	2,686,250	–	2,686,250
Term Finance Certificates (TFCs)	19,324,113	–	19,324,113	7,603,733	–	7,603,733
	68,592,764	787,800	69,380,564	57,959,003	8,197,541	66,156,544
<b>Held – to – maturity securities</b>						
Pakistan Investment Bonds	9,033,581	–	9,033,581	9,084,116	–	9,084,116
Foreign Currency Bonds (US\$)	147,643	–	147,643	137,767	–	137,767
TFCs, Debentures, Bonds, and Participation Term Certificate (PTC's)	10,652,862	–	10,652,862	10,682,356	–	10,682,356
	19,834,086	–	19,834,086	19,904,239	–	19,904,239
<b>Subsidiary</b>						
ABL Asset Management Company Limited	500,000	–	500,000	500,000	–	500,000
	88,960,337	787,800	89,748,137	78,363,242	8,197,541	86,560,783
Provision for diminution in value of investments	(2,079,874)	–	(2,079,874)	(1,955,903)	–	(1,955,903)
Unrealised loss on revaluation of Held – for – trading securities	(592)	–	(592)	–	–	–
Surplus/(deficit) on revaluation of Available – for – sale securities	563,591	4,664	568,255	(1,973,799)	37	(1,973,762)
<b>Investments (net of provision)</b>	<b>87,443,462</b>	<b>792,464</b>	<b>88,235,926</b>	<b>74,433,540</b>	<b>8,197,578</b>	<b>82,631,118</b>

# Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2009

6.2 The Karachi Stock Exchange (Guarantee) Limited (“KSE”) placed a “Floor Mechanism” on the market value of securities based on the closing prices of securities prevailing as on August 27, 2008. Under the “Floor Mechanism”, the individual security price of equity securities could vary within normal circuit breaker limit, but not below the floor price level. The mechanism was effective from August 28, 2008 and remained in place until December 15, 2008. Consequent to the introduction of “Floor Mechanism” by KSE, the market volume declined significantly during the period from August 27, 2008 to December 15, 2008. There were lower floors on a number of securities at December 31, 2008. The equity securities have been valued at prices quoted on the KSE on December 31, 2008 without any adjustment as allowed by the State Bank of Pakistan (SBP) BSD Circular Letter No. 2 dated January 27, 2009.

Furthermore, 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 movements shall be taken to Profit and Loss Account on quarterly basis during the year ending December 31, 2009.

The carried forward deficit of Rs. 1,859.256 million after price adjustment based on March 31, 2009 remained at Rs. 503.079 million. In accordance with guidelines of the SECP and SBP circulars stated above, the first quarter impairment of Rs. 125.770 million is recognized in the Profit and Loss Account and balance of Rs. 377.309 million is included in the total amount of revaluation surplus/deficit reported under equity as at March 31, 2009. The amount of Rs. 377.309 million taken to equity as at March 31, 2009 shall be treated as a charge to Profit and Loss Account for the purposes of distribution as dividend.

The full recognition of impairment loss based on the market values as at March 31, 2009 would have had the following effect on these financial statements:

	March 31, 2009 Rupees in ‘000
Increase in ‘Impairment Loss’ in Profit and Loss Account	377,309
Decrease in tax charge for the year	132,058
Decrease in profit for the year - after tax	<u>245,251</u>
	<b>Rupees</b>
Decrease in earnings per share -after tax (basic and diluted)	<u>0.38</u>
	<b>Rupees in ‘000</b>
Increase in net surplus on revaluation of available for sale securities	377,309
Decrease in unappropriated profit	<u>245,251</u>

# Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2009

Note	Un-audited	Audited
	March 31, 2009	December 31, 2008
Rupees in '000'		
<b>7. ADVANCES</b>		
Loans, cash credits, running finances, etc. – in Pakistan	195,354,851	215,733,161
Net investment in finance lease – in Pakistan	845,441	768,173
Bills discounted and purchased (excluding government treasury bills)		
Payable in Pakistan	1,006,116	1,738,019
Payable outside Pakistan	6,335,615	5,400,424
	7,341,731	7,138,443
	203,542,023	223,639,777
Financing in respect of Continuous Funding System (CFS)	–	–
	203,542,023	223,639,777
Provision against non-performing advances / others	7.1 (10,995,662)	(10,657,709)
General provision against consumer financing	(9,709)	(10,060)
	192,536,652	212,972,008

- 7.1 This represents provision against non-performing advances amounting to Rs. 10,850,389 thousand (December 31, 2008: Rs. 10,512,436 thousand) and a provision of Rs 145,273 thousand (December 31, 2008: Rs. 145,273 thousand) made against Japan Power Generation Limited without changing its status to non-performing as per SBP Directive No. BID (Insp)/ 722/71–02–2007 dated March 14, 2007. Advances include Rs. 14,982,970 thousand (2008: Rs. 13,771,895 thousand) which have been placed under the non-performing status as detailed below:

Category of Classification	March 31, 2009 (Un-audited)				Provision required	Provision held
	Classified Advances			Total		
	Domestic	Overseas	Total			
Rupees in '000'						
Other Assets Especially Mentioned	34,300	–	34,300	–	–	
Substandard	4,147,024	–	4,147,024	1,035,002	1,035,002	
Doubtful	1,972,518	–	1,972,518	986,259	986,259	
Loss	8,829,128	–	8,829,128	8,829,128	8,829,128	
	14,982,970	–	14,982,970	10,850,389	10,850,389	

Category of Classification	December 31, 2008 (Audited)				Provision required	Provision held
	Classified Advances			Total		
	Domestic	Overseas	Total			
Rupees in '000'						
Other Assets Especially Mentioned	40,689	–	40,689	–	–	
Substandard	3,805,228	–	3,805,228	950,134	950,134	
Doubtful	722,223	–	722,223	361,111	361,111	
Loss	9,203,755	–	9,203,755	9,201,191	9,201,191	
	13,771,895	–	13,771,895	10,512,436	10,512,436	

## 8. OPERATING FIXED ASSETS

During the current period, additions and disposals in operating fixed assets amounted to Rs. 522,714 thousand and Rs. 6,315 thousand, respectively.



# Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2009

Un-audited  
March 31,  
2009  
Rupees in '000'

Audited  
December 31,  
2008

## 9. DEPOSITS AND OTHER ACCOUNTS

### Customers

Fixed deposits	94,349,861	105,939,618
Savings deposits	74,944,357	72,448,664
Current accounts – Remunerative	38,716,458	37,830,504
– Non-remunerative	74,798,554	77,755,031
	<b>282,809,230</b>	<b>293,973,817</b>

### Financial Institutions

Remunerative deposits	1,873,981	3,501,504
	<b>284,683,211</b>	<b>297,475,321</b>

10. The Bank is in the process to issue second TFC amounting to Rs. 4,000 million out of which, Rs. 3,000 million had been raised through Pre IPO and Rs. 1,000 million will be offered for subscription through IPO for which SECP approval is awaited. As of March 31, 2009 Rs. 3,000 million has been received as Pre IPO proceeds and are included in other liabilities.

## 11. SHARE CAPITAL

### 11.1 Authorised capital

Un-audited March 31, 2009 No. of shares	Audited December 31, 2008		Un-audited March 31, 2009 Rupees in '000'	Audited December 31, 2008
<u>1,000,000,000</u>	<u>1,000,000,000</u>	Ordinary shares of Rs. 10 each	<u>10,000,000</u>	<u>10,000,000</u>

### 11.2 Issued, subscribed and paid-up capital

Fully paid-up Ordinary shares of Rs. 10 each

Un-audited March 31, 2009 No. of shares	Audited December 31, 2008	Ordinary Shares		
406,780,094	406,780,094	Fully paid in cash	4,067,801	4,067,801
222,035,681	222,035,681	Issued as bonus shares	2,220,357	2,220,357
<u>628,815,775</u>	<u>628,815,775</u>		<u>6,288,158</u>	<u>6,288,158</u>
9,148,550	9,148,550	18,348,550 Ordinary Shares of Rs.10 each determined pursuant to the Scheme of Amalgamation of ILL with ABL in accordance with the share swap ratio stipulated therein less 9,200,000 Ordinary Shares of Rs.10 each held by ILL on the cut-off date (September 30, 2004)	91,486	91,486
8,400,000	8,400,000	8,400,000 Ordinary Shares of Rs.10 each determined pursuant to the Scheme of Amalgamation of First Allied Bank Modaraba with Allied Bank Limited in accordance with the share swap ratio stipulated therein	84,000	84,000
<u>646,364,325</u>	<u>646,364,325</u>		<u>6,463,644</u>	<u>6,463,644</u>

Ibrahim Fibres Limited and Ibrahim Agencies (Private) Limited, related parties of the Bank, held 261,526,088 (40.46%) and 59,968,382 (9.28%) [December 31, 2008: 261,526,088 (40.46%) and 58,968,382 (9.28%)] Ordinary shares of Rs.10 each, respectively, as at March 31, 2009.

	Un-audited March 31, 2009 Rupees in '000'	Audited December 31, 2008
<b>12. CONTINGENCIES AND COMMITMENTS</b>		
<b>12.1 Direct credit substitutes</b>		
Guarantees in favour of:		
Banks and financial institutions	1,419,019	1,455,678
<b>12.2 Transaction-related contingent liabilities</b>		
Guarantees in favour of:		
Government	6,510,421	7,736,845
Others	5,206,649	4,088,278
	11,717,070	11,825,123
<b>12.3 Trade-related contingent liabilities</b>	77,070,403	75,991,804
<b>12.4 Claims against the Bank not acknowledged as debt</b>	5,154,273	5,155,293
<b>12.5 Commitments to extend credit</b>		
<p>The Bank makes commitments to extend credit in the normal course of business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.</p>		
	Un-audited March 31, 2009 Rupees in '000'	Audited December 31, 2008
<b>12.6 Commitments in respect of forward foreign exchange contracts</b>		
Purchase	13,960,981	17,083,600
Sale	6,111,783	4,831,414
<b>12.7 Commitments in respect of:</b>		
Civil works	650,394	929,810
Acquisition of operating fixed assets	407,706	145,987
<b>12.8 Commitments in respect of lease financing</b>	31,250	48,567
<b>12.9 Commitments in respect of purchase of shares</b>	317,271	450,643
<b>12.10 Commitments in respect of procurement of software</b>	-	142,859
<b>12.11 Commitments in respect of purchase of T-Bills</b>	-	8,000,000

# Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2009

## 12.12 Contingencies

12.12.1 There is no change in the status of Contingencies, set out in note 22.14 to the financial statements of the Bank for the year ended December 31, 2008, except for the contingency as mentioned below:

12.12.2 The Income tax assessments of the Bank have been finalized upto and including Tax Year 2008 for local operations and Azad Kashmir Operations.

- a) While finalizing income tax assessments up to the assessment year 2000–2001, the Income Tax Authorities made certain add backs with a tax impact of Rs.219 million. As a result of appeals filed by the Bank before the Appellate Authorities, these add-backs were set-aside with a tax impact of Rs. 125 million.
- b) While finalizing income tax assessments from Assessment year 2001–2002 to tax year 2006, the income tax authorities made certain add backs with tax impact amounting to Rs. 6,500 million. As a result of Appeals filed by the Bank before the Appellate Authorities, these add-backs were deleted and set-aside, by Appellate Authorities, with tax impact of Rs.4,102 million and Rs.2,398 million respectively.
- c) The assessment for Tax Year 2007 and 2008 have been finalized with net additional tax liability of Rs. 2,798 millions. The Bank has filed appeals against the orders before the appellate authority.

Pending the finalization of the above-referred matters, no provision has been made by the Bank in an aggregate sum of Rs. 7,448 million in these financial statements. This sum includes tax liability, aggregating to Rs. 4,102 million, already deleted by the Appellate Authorities and Income Tax Department is also in appeal before higher Appellate Authorities. While giving appeal effect on most of the deleted issues a refund of Rs. 3,875 million has been determined. The management is hopeful that the outcome of these appeals will be in favor of the Bank.

## 13. EARNINGS PER SHARE – BASIC AND DILUTED

	Rupees in '000'	
Profit after tax for the period attributable to ordinary shareholders	1,448,136	1,357,227
	Number of Shares	
Weighted average number of Ordinary Shares outstanding during the period	646,364,325	646,364,325
	Rupees	
Earnings per share – basic and diluted	2.24	2.10

There is no dilution effect on basic earnings per share.

# Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2009

14. **RELATED PARTY TRANSACTIONS**

The Bank has related party relationships with its subsidiary companies with common directorship, directors and employee benefit plans.

Banking transactions with 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 the accounts in respect of staff retirement benefits are made in accordance with actuarial valuation (terms of contribution plan).

Details of transactions with related parties except those under the terms of employment and balances with them as at the period/year end were as follows:

Nature of related party transactions	Un-audited March 31, 2009				Audited December 31, 2008					
	Directors	Associated Companies	Subsidiary	Key management personnel	Other related parties	Directors	Associated Companies	Subsidiary	Key management personnel	Other related parties
<b>Loans</b>	Rupees in '000									
Loans at the beginning of the period/year	27,040	-	-	205,861	3,797,789	11,793	-	-	75,989	2,053,508
Loans given during the period/year	3,977	-	-	3,089,138	3,089,138	35,172	-	-	153,113	8,907,791
Loans repaid during the period/year	(3,755)	-	-	(6,052)	(1,572,177)	(10,355)	-	-	(22,151)	(7,165,460)
Loans at the end of the period/year	27,262	-	-	204,874	5,314,790	27,040	-	-	208,861	3,797,889
<b>Deposits</b>	Rupees in '000									
Deposits at the beginning of the period/year	4,845	55,082	778	11,105	125,001	3,763	87,452	502,788	17,499	2,963
Deposits received during the period/year	5,363	531,853	11,425	38,062	1,143,918	1,005,141	2,490,881	3,316,103	189,675	5,810,587
Deposits repaid during the period/year	(6,396)	(560,338)	(11,130)	(38,564)	(1,263,303)	(1,004,059)	(2,523,251)	(3,818,113)	(196,069)	(5,688,539)
Deposits at the end of the period/year	3,812	26,597	1,073	10,603	5,616	4,845	-	778	11,105	125,001
Other receivables	-	-	2,021	-	-	-	-	1,140	-	-
Net receivable from staff retirement benefit funds	-	-	-	-	1,403,550	-	-	-	-	1,393,710
Staff retirement fund deposits	-	-	-	-	3,639,527	-	-	-	-	3,317,336
Investments in Shares	-	235,969	500,000	-	1,098,835	-	235,969	500,000	-	211,884
Nostro Balances	-	156,404	-	-	-	-	372,416	-	-	-
	Rupees in '000									
	Un-audited March 31, 2009				Un-audited March 31, 2008					
	Directors	Associated Companies	Subsidiary	Key management personnel	Other related parties	Directors	Associated Companies	Subsidiary	Key management personnel	Other related parties
Mark-up earned on loans	272	-	-	3,413	6,403	-	-	-	1,179	-
Income on placements	-	106	-	-	-	-	-	-	-	-
Sales commission	-	-	942	-	-	-	-	-	-	-
Mark-up expense on deposits	-	-	17	37	69,920	4	-	9,555	33	52,754
Directors' meeting fee	525	-	-	-	-	500	-	-	-	-
NFT charges	-	-	-	-	14,712	-	-	-	-	-
Bank Charges Levied	-	-	-	-	-	-	-	-	2	12,949
Charge / (reversal) in respect of staff retirement benefit funds	-	-	-	-	152,922	-	-	-	-	(44,263)

# Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2009

## 15. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	For the Period Ended March 31, 2009 (Un-audited )				
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement
	Rupees in '000				
Total Income	214,656	463,483	5,142,728	8,858,302	83,972
Total Expenses	(116,251)	(437,035)	(4,431,516)	(8,295,975)	(34,228)
Net Income	98,405	26,448	711,212	562,327	49,744

  

	For the Period Ended March 31, 2008 (Un-audited )				
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement
	Rupees in '000				
Total Income	153,617	483,261	3,059,246	5,649,742	29,008
Total Expenses	(80,006)	(407,196)	(2,516,803)	(4,996,739)	(16,903)
Net Income	73,611	76,065	542,443	653,003	12,105

## 16. GENERAL

Figures have been rounded off to the nearest thousand rupees.

## 17. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on April 25, 2009 by the Board of Directors of the Bank.

Chief Financial Officer

President and Chief Executive

Director

Director

Director

**Consolidated Condensed Interim Financial Statements**  
for the quarter ended March 31, 2009

# Consolidated Condensed Interim Balance Sheet

as at March 31, 2009

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		Un-audited March 31, 2009	Audited December 31, 2008
	Note	Rupees in '000'	
<b>ASSETS</b>			
Cash and balances with treasury banks		21,779,384	23,653,754
Balances with other banks		2,430,223	2,097,611
Lendings to financial institutions	5	13,636,934	15,793,183
Investments	6	88,064,355	82,433,998
Advances	7	192,583,996	213,020,108
Other assets		17,408,726	17,388,612
Operating fixed assets	8	11,516,751	11,150,129
Deferred tax assets – net		193,028	1,031,049
		347,613,397	366,568,444
<b>LIABILITIES</b>			
Bills payable		2,925,008	2,952,490
Borrowings from financial institutions		20,721,245	27,778,151
Deposits and other accounts	9	284,682,604	297,474,543
Sub-ordinated loans		2,498,000	2,498,000
Liabilities against assets subject to finance lease		–	–
Other liabilities	10	12,065,974	13,629,361
Deferred tax liabilities		–	–
		322,892,831	344,332,545
<b>NET ASSETS</b>			
		24,720,566	22,235,899
<b>REPRESENTED BY</b>			
Share capital	11	6,463,644	6,463,644
Reserves		6,094,403	5,804,776
Unappropriated profit		8,991,716	8,475,791
		21,549,763	20,744,211
Surplus on revaluation of assets – net of tax		3,170,803	1,491,688
		24,720,566	22,235,899
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12		

The annexed notes 1 to 17 form an integral part of these consolidated condensed interim financial statements.

The detail of valuation of investment, impairment and impact on profit and loss account are given in note 6.2.

Chief Financial Officer

President and Chief Executive

Director

Director

Director

# Consolidated Condensed Interim Profit and Loss Account (Un-audited) for the quarter ended March 31, 2009

Note	Quarter Ended March 31, 2009	Quarter Ended March 31, 2008
	Rupees in '000'	
Mark-up/return/interest earned	10,238,753	6,410,480
Mark-up/return/interest expended	5,919,655	3,510,494
Net mark-up/interest income	4,319,098	2,899,986
Provision against non-performing loans and advances (including general/other provision) – net	815,009	404,159
Provision/(Reversal) of provision for diminution in the value of investments – net	131,556	(1,791)
Bad debts written off directly	282	1
	946,847	402,369
Net mark-up/ interest income after provisions	3,372,251	2,497,617
<b>NON MARK-UP/INTEREST INCOME</b>		
Fee, commission and brokerage income	646,886	619,758
Dividend income	261,888	251,466
Income from trading in government securities	–	–
Income from dealing in foreign currencies	287,570	88,824
Income from sale and purchase of other securities	19,455	90,335
Unrealised gain/(loss) on revaluation of investments classified as held for trading	2,590	(2,525)
Other income	5,710	10,556
<b>Total non-mark-up/interest income</b>	1,224,099	1,058,414
	4,596,350	3,556,031
<b>NON MARK-UP/INTEREST EXPENSES</b>		
Administrative expenses	2,129,435	1,556,112
Provision against other assets	32,000	–
Provision/(reversal) of provision against off-balance sheet obligations	90,681	(12,719)
Other charges	110,659	2,984
<b>Total non-mark-up/interest expenses</b>	2,362,775	1,546,377
	2,233,575	2,009,654
Extra ordinary/unusual items	–	–
<b>PROFIT BEFORE TAXATION</b>	2,233,575	2,009,654
<b>Taxation</b>		
Current	841,432	637,296
Prior years	–	–
Deferred	(51,683)	13,720
	789,749	651,016
<b>PROFIT AFTER TAXATION</b>	1,443,826	1,358,638
Unappropriated profit brought forward	8,475,791	6,973,227
Transfer from surplus on revaluation of fixed assets – net of tax	8,090	4,386
	8,483,881	6,977,613
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>	9,927,707	8,336,251
Earning per share – Basic and Diluted (in Rupees)	13 2.23	2.10

The annexed notes 1 to 17 form an integral part of these consolidated condensed interim financial statements.

The detail of valuation of investment, impairment and impact on profit and loss account are given in note 6.2.

Chief Financial Officer

President and Chief Executive

Director

Director

Director



# Consolidated Condensed Interim Cash Flow Statement

(Un-audited) for the quarter ended March 31, 2009

	Quarter Ended March 31, 2009	Quarter Ended March 31, 2008
	Rupees in '000'	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,233,575	2,009,654
Less: Dividend income	261,888	251,466
	1,971,687	1,758,188
<b>Adjustments for non-cash charges</b>		
Depreciation/amortisation	149,826	90,242
Provision against non-performing loans and advances (including general/other provision)	815,009	404,159
Provision/(reversal) of provision for diminution in the value of investments	131,556	(1,791)
Unrealised (gain)/loss on revaluation of held for trading securities	(2,590)	2,525
Provision/(reversal) of provision against off balance sheet items	90,681	(12,719)
Provision against other assets	32,000	-
Net loss/(gain) on sale of property and equipment	703	1,636
Bad debts written off directly	282	1
	1,217,467	484,053
	3,189,154	2,242,241
<b>(Increase)/ decrease in operating assets</b>		
Lendings to financial institutions	2,156,249	1,024,922
Held for trading securities	(26,752)	(52,388)
Advances	19,620,821	(8,349,809)
Other assets (excluding advance taxation)	308,495	(1,427,406)
	22,058,813	(8,804,681)
<b>Increase/ (decrease) in operating liabilities</b>		
Bills payable	(27,482)	(407,619)
Borrowings from financial institutions	(6,985,340)	(3,133,526)
Deposits	(12,791,939)	14,034,786
Other liabilities	(1,719,964)	60,558
	(21,524,725)	10,554,199
	3,723,242	3,991,759
Income tax paid	(1,140,209)	(534,221)
<b>Net cash flow from operating activities</b>	<b>2,583,033</b>	<b>3,457,538</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	(3,224,015)	4,355,726
Net investment in held-to-maturity securities	68,354	(6,496,984)
Dividend income	200,055	29,508
Investments in operating fixed assets	(522,763)	(481,570)
Proceeds form sale of fixed assets	5,612	5,597
<b>Net cash flow used in investing activities</b>	<b>(3,472,757)</b>	<b>(2,587,723)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(580,468)	(576)
<b>Net cash flow used in financing activities</b>	<b>(580,468)</b>	<b>(576)</b>
<b>Increase/(decrease) in cash and cash equivalents during the period</b>	<b>(1,470,192)</b>	<b>869,239</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>25,618,459</b>	<b>30,352,732</b>
<b>Cash and cash equivalents at end of the period</b>	<b>24,148,267</b>	<b>31,221,971</b>

The annexed notes 1 to 17 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer

President and Chief Executive

Director

Director

Director

# Consolidated Condensed Interim Statement of Changes in Equity (Un-audited) for the quarter ended March 31, 2009

	Share Capital	Share Premium	Statutory Reserve	Bonus Issue Reserve	Special Reserve*	Merger Reserve*	General Reserve	Un-appropriated Profit	Total
	Rupees in '000								
Balance as at January 1, 2008	5,386,370	3,418,596	2,224,258	-	67,995	333,864	6,000	6,973,227	18,410,310
<b>Changes in equity during the quarter ended March 31, 2008</b>									
Profit after taxation for the quarter ended March 31, 2008	-	-	-	-	-	-	-	1,358,638	1,358,638
Transferred from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	4,386	4,386
Net income recognised directly in equity	-	-	-	-	-	-	-	4,386	4,386
Total recognised income for the quarter ended March 31, 2008	-	-	-	-	-	-	-	1,363,024	1,363,024
Transfer to statutory reserve	-	-	271,445	-	-	-	-	(271,445)	-
Bonus issue for the year ended December 31, 2007 declared subsequent to year end @ 20%	1,077,274	(1,077,274)	-	-	-	-	-	-	-
Final cash dividend for the year ended December 31, 2007 declared subsequent to year end (Rs. 1.50 per Ordinary share)	-	-	-	-	-	-	-	(807,955)	(807,955)
Balance as at March 31, 2008	6,463,644	2,341,322	2,495,703	-	67,995	333,864	6,000	7,256,851	18,965,379
<b>Changes in equity during nine months ended December 31, 2008</b>									
Profit after taxation for nine months ended December 31, 2008	-	-	-	-	-	-	-	2,735,223	2,735,223
Transferred from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	13,155	13,155
Net income recognised directly in equity	-	-	-	-	-	-	-	13,155	13,155
Total recognised income for the nine months ended December 31, 2008	-	-	-	-	-	-	-	2,748,378	2,748,378
Transfer to statutory reserve	-	-	559,892	-	-	-	-	(559,892)	-
Interim cash dividend for the year ended December 31, 2008 (Rs. 1.50 per Ordinary share)	-	-	-	-	-	-	-	(969,546)	(969,546)
Balance as at December 31, 2008	6,463,644	2,341,322	3,055,595	-	67,995	333,864	6,000	8,475,791	20,744,211
<b>Changes in equity during the quarter ended March 31, 2009</b>									
Profit after taxation for the quarter ended March 31, 2009	-	-	-	-	-	-	-	1,443,826	1,443,826
Transferred from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	8,090	8,090
Net income recognised directly in equity	-	-	-	-	-	-	-	8,090	8,090
Total recognised income for the quarter ended March 31, 2009	-	-	-	-	-	-	-	1,451,916	1,451,916
Transfer to statutory reserve	-	-	289,627	-	-	-	-	(289,627)	-
Bonus issue for the year ended December 31, 2008 declared subsequent to year end @ 10%	-	(646,364)	-	646,364	-	-	-	-	-
Final cash dividend for the year ended December 31, 2008 declared subsequent to year end (Rs. 1.00 per Ordinary share)	-	-	-	-	-	-	-	(646,364)	(646,364)
Balance as at March 31, 2009	6,463,644	1,694,958	3,345,222	646,364	67,995	333,864	6,000	8,991,716	21,549,763

\*These were created as a result of merger of Ibrahim Leasing Limited and First Allied Bank Modaraba into Allied Bank Limited.

The annexed notes 1 to 17 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer

President and Chief Executive

Director

Director

Director

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2009

## 1. STATUS AND NATURE OF BUSINESS

The consolidated condensed interim financial statements consist of Allied Bank Limited (holding company) and ABL Asset Management Company Limited (subsidiary company).

Allied Bank Limited (the Bank), incorporated in Pakistan, is a scheduled Bank, engaged in commercial banking and related services. The Bank is listed on all stock exchanges in Pakistan. The Bank operates a total of 766 (2008: 766) branches in Pakistan including the Karachi Export Processing Zone Branch (overseas business unit). The long term credit rating of the Bank assigned by The Pakistan Credit Rating Agency Limited (PACRA) is 'AA'. Short term rating of the Bank is 'A1+'. The Bank is a holding company of ABL Asset Management Company Limited.

The registered office of the Bank is situated in Lahore whereas the principal office is situated at Khayaban-e-Iqbal, Main Clifton Road, Bath Island, Karachi.

## 2. STATEMENT OF COMPLIANCE

2.1 These consolidated condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved Accounting Standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984, and the directives issued by SBP. In case requirements differ, the provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Ordinance, 1984 shall prevail.

2.2 The SBP, vide BSD Circular No. 10, dated August 26, 2002 had deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for Banking companies till further instructions. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by SBP through various circulars.

## 3. BASIS OF PRESENTATION

3.1 The disclosures made in these consolidated condensed interim financial statements have, however been limited based on the format prescribed by the State Bank of Pakistan, vide BSD Circular No. 2 dated May 12, 2004 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the consolidated financial statements of the Bank for the year ended December 31, 2008.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

4.1 The accounting policies, underlying estimates and methods of computation followed in the preparation of these consolidated condensed interim financial statements are same as those applied in preparing the most recent annual consolidated financial statements of the Bank.

Notes to the Consolidated Condensed Interim Financial Statements  
(Un-audited) for the quarter ended March 31, 2009

	Note	Un-audited March 31, 2009 Rupees in '000'	Audited December 31, 2008
<b>5. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call money lendings	5.1	1,000,000	100,000
Letters of placement	5.2	333,000	736,000
Repurchase agreement lendings (Reverse Repo)	5.3	11,303,934	14,957,183
Certificates of investment	5.4	1,000,000	–
		<u>13,636,934</u>	<u>15,793,183</u>

5.1 These are unsecured lendings to Financial Institutions, carrying mark –up at rates, ranging between 11.45% and 14.90% (December 31, 2008 at the rate of 15.40%) per annum and maturing on various dates, latest by June 19, 2009.

5.2 These are clean placement with Non-Banking Finance Companies, carrying mark –up at the rates of 0.00% and 16.10% (December 31, 2008: 18.90% and 20.00%) per annum and maturing on various dates, latest by January 01, 2010.

5.3 These are short –term lendings to various financial institutions against government securities, carrying mark –up at rates, ranging between 10.25% and 12.75% (December 31, 2008: 10.00% and 14.90%) per annum and maturing on various dates, latest by April 30, 2009.

5.4 The certificates of investments carrying mark –up at rates, ranging between 13.50% and 17.25% (December 31, 2008: Nil) per annum and maturing on various dates, latest by June 16, 2009.

**6. INVESTMENTS**

	Note	Held by Bank	Given as collateral Rupees in '000'	Total
Current period – March 31, 2009 (Un-audited)	6.1	<u>87,271,891</u>	<u>792,464</u>	<u>88,064,355</u>
Prior year corresponding period – December 31, 2008 (Audited)	6.1	<u>74,236,420</u>	<u>8,197,578</u>	<u>82,433,998</u>

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2009

	Un-audited As at March 31, 2009			Audited As at December 31, 2008		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
Rupees in '000'						
<b>6.1 Investments by types</b>						
<b>Held-for-trading securities</b>						
Ordinary Shares of listed companies	126,369	–	126,369	96,416	–	96,416
<b>Available for sale securities</b>						
Market Treasury Bills	24,057,445	787,800	24,845,245	26,512,476	8,197,541	34,710,017
Pakistan Investment Bonds	445,774	–	445,774	445,580	–	445,580
Ordinary Shares / Certificates of listed companies	7,253,150	–	7,253,150	6,863,698	–	6,863,698
Preference Shares of listed companies	250,000	–	250,000	250,000	–	250,000
Units of Open-End Mutual Funds	12,687,707	–	12,687,707	12,761,149	–	12,761,149
Ordinary Shares of unlisted companies	229,821	–	229,821	544,822	–	544,822
Ordinary Shares of unlisted companies – (related parties)	1,334,805	–	1,334,805	447,853	–	447,853
Pre IPO Investments	35,000	–	35,000	35,000	–	35,000
Sukuk Bonds	3,166,507	–	3,166,507	2,686,250	–	2,686,250
Listed Term Finance Certificates (TFCs)	19,453,761	–	19,453,761	7,733,386	–	7,733,386
	68,913,970	787,800	69,701,770	58,280,214	8,197,541	66,477,755
<b>Held-to-maturity securities</b>						
Pakistan Investment Bonds	9,033,581	–	9,033,581	9,084,116	–	9,084,116
Foreign Currency Bonds (US\$)	147,643	–	147,643	137,767	–	137,767
TFCs, Debentures, Bonds, and PTCs	10,652,862	–	10,652,862	10,682,356	–	10,682,356
	19,834,086	–	19,834,086	19,904,239	–	19,904,239
	88,874,425	787,800	89,662,225	78,280,869	8,197,541	86,478,410
Provision for diminution in value of investments	(2,144,799)	–	(2,144,799)	(2,015,042)	–	(2,015,042)
Unrealised gain on revaluation of Held-for-trading securities	2,590	–	2,590	3,201	–	3,201
Surplus/(deficit) on revaluation of Available-for-sale securities	539,675	4,664	544,339	(2,032,608)	37	(2,032,571)
<b>Investments (net of provision)</b>	<b>87,271,891</b>	<b>792,464</b>	<b>88,064,355</b>	<b>74,236,420</b>	<b>8,197,578</b>	<b>82,433,998</b>

6.2 The Karachi Stock Exchange (Guarantee) Limited (“KSE”) placed a “Floor Mechanism” on the market value of securities based on the closing prices of securities prevailing as on August 27, 2008. Under the “Floor Mechanism”, the individual security price of equity securities could vary within normal circuit breaker limit, but not below the floor price level. The mechanism was effective from August 28, 2008 and remained in place until December 15, 2008. Consequent to the introduction of “Floor Mechanism” by KSE, the market volume declined significantly during the period from August 27, 2008 to December 15, 2008. There were lower floors on a number of securities at December 31, 2008. The equity securities have been valued at prices quoted on the KSE on December 31, 2008 without any adjustment as allowed by the State Bank of Pakistan (SBP) BSD Circular Letter No. 2 dated January 27, 2009.

Furthermore, 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 movements shall be taken to Profit and Loss Account on quarterly basis during the year ending December 31, 2009.

The carried forward deficit of Rs. 1,918.395 million after price adjustment based on March 31, 2009 remained at Rs. 526.222 million. In accordance with guidelines of the SECP and SBP circulars stated above, the first quarter impairment of Rs. 131.556 million is recognized in the Profit and Loss Account and balance of Rs. 394.666 million is included in the total amount of revaluation surplus/deficit reported under equity as at March 31, 2009. The amount of Rs. 394.666 million taken to equity as at March 31, 2009 shall be treated as a charge to Profit and Loss Account for the purposes of distribution as dividend.

The full recognition of impairment loss based on the market values as at March 31, 2009 would have had the following effect on these financial statements:

	March 31, 2009 Rupees in ‘000
Increase in ‘Impairment Loss’ in Profit and Loss Account	394,666
Decrease in tax charge for the year	138,133
Decrease in profit for the year - after tax	256,533
	<b>Rupees</b>
Decrease in earnings per share -after tax (basic and diluted)	0.40
	<b>Rupees in ‘000</b>
Increase in net surplus on revaluation of available for sale securities	394,666
Decrease in unappropriated profit	256,533

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2009

Note	Un-audited	Audited
	March 31, 2009	December 31, 2008
Rupees in '000'		
<b>7. ADVANCES</b>		
Loans, cash credits, running finances, etc. – in Pakistan	195,402,195	215,781,261
Net investment in finance lease – in Pakistan	845,441	768,173
Bills discounted and purchased (excluding government treasury bills)		
Payable in Pakistan	1,006,116	1,738,019
Payable outside Pakistan	6,335,615	5,400,424
	7,341,731	7,138,443
	203,589,367	223,687,877
Financing in respect of Continuous Funding System (CFS)	–	–
	203,589,367	223,687,877
Provision against non-performing advances / others	7.1 (10,995,662)	(10,657,709)
General provision against consumer financing	(9,709)	(10,060)
	192,583,996	213,020,108

- 7.1 This represents provision against non-performing advances amounting to Rs. 10,850,389 thousand (December 31, 2008: Rs. 10,512,436 thousand) and a provision of Rs 145,273 thousand (December 31, 2008: Rs. 145,273 thousand) made against Japan Power Generation Limited without changing its status to non-performing as per SBP Directive No. BID (Insp)/ 722/71–02–2007 dated March 14, 2007. Advances include Rs. 14,982,970 thousand (2008: Rs. 13,771,895 thousand) which have been placed under the non-performing status as detailed below:

Category of Classification	March 31, 2009 (Un-audited)			Provision required	Provision held
	Classified Advances				
	Domestic	Overseas	Total		
	Rupees in '000'				
Other Assets Especially Mentioned	34,300	–	34,300	–	–
Substandard	4,147,024	–	4,147,024	1,035,002	1,035,002
Doubtful	1,972,518	–	1,972,518	986,259	986,259
Loss	8,829,128	–	8,829,128	8,829,128	8,829,128
	14,982,970	–	14,982,970	10,850,389	10,850,389

Category of Classification	December 31, 2008 (Audited)			Provision required	Provision held
	Classified Advances				
	Domestic	Overseas	Total		
	Rupees in '000'				
Other Assets Especially Mentioned	40,689	–	40,689	–	–
Substandard	3,805,228	–	3,805,228	950,134	950,134
Doubtful	722,223	–	722,223	361,111	361,111
Loss	9,203,755	–	9,203,755	9,201,191	9,201,191
	13,771,895	–	13,771,895	10,512,436	10,512,436

## 8. OPERATING FIXED ASSETS

During the current period, additions and disposals in operating fixed assets amounted to Rs. 522,763 thousand and Rs. 6,315 thousand, respectively.

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2009

Un-audited  
March 31,  
2009  
Audited  
December 31,  
2008  
Rupees in '000'

## 9. DEPOSITS AND OTHER ACCOUNTS

### Customers

Fixed deposits	94,349,861	105,939,618
Savings deposits	74,944,357	72,448,664
Current accounts – Remunerative	38,715,851	37,829,726
– Non-remunerative	74,798,554	77,755,031
	<b>282,808,623</b>	<b>293,973,039</b>

### Financial Institutions

Remunerative deposits	1,873,981	3,501,504
	<b>284,682,604</b>	<b>297,474,543</b>

10. The Bank is in the process to issue second TFC amounting to Rs. 4,000 million out of which, Rs. 3,000 million had been raised through Pre IPO and Rs. 1,000 million will be offered for subscription through IPO for which SECP approval is awaited. As of March 31, 2009 Rs. 3,000 million has been received as Pre IPO proceeds and are included in other liabilities.

## 11. SHARE CAPITAL

### 11.1 Authorised capital

Un-audited March 31, 2009 No. of shares	Audited December 31, 2008 No. of shares		Un-audited March 31, 2009 Rupees in '000'	Audited December 31, 2008 Rupees in '000'
<u>1,000,000,000</u>	<u>1,000,000,000</u>	Ordinary shares of Rs. 10 each	<u>10,000,000</u>	<u>10,000,000</u>

### 11.2 Issued, subscribed and paid-up capital

Fully paid-up Ordinary shares of Rs. 10 each

Un-audited March 31, 2009 No. of shares	Audited December 31, 2008 No. of shares	Ordinary Shares	Un-audited March 31, 2009 Rupees in '000'	Audited December 31, 2008 Rupees in '000'
406,780,094	406,780,094	Fully paid in cash	4,067,801	4,067,801
222,035,681	222,035,681	Issued as bonus shares	2,220,357	2,220,357
<u>628,815,775</u>	<u>628,815,775</u>		<u>6,288,158</u>	<u>6,288,158</u>
9,148,550	9,148,550	18,348,550 Ordinary Shares of Rs.10 each determined pursuant to the Scheme of Amalgamation of ILL with ABL in accordance with the share swap ratio stipulated therein less 9,200,000 Ordinary Shares of Rs.10 each held by ILL on the cut-off date (September 30, 2004)	91,486	91,486
8,400,000	8,400,000	8,400,000 Ordinary Shares of Rs.10 each determined pursuant to the Scheme of Amalgamation of First Allied Bank Modaraba with Allied Bank Limited in accordance with the share swap ratio stipulated therein	84,000	84,000
<u>646,364,325</u>	<u>646,364,325</u>		<u>6,463,644</u>	<u>6,463,644</u>

Ibrahim Fibres Limited and Ibrahim Agencies (Private) Limited, related parties of the Bank, held 261,526,088 (40.46%) and 59,968,382 (9.28%) [December 31, 2008: 261,526,088 (40.46%) and 58,968,382 (9.28%)] Ordinary shares of Rs.10 each, respectively, as at March 31, 2009.



# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2009

	Un-audited March 31, 2009 Rupees in '000'	Audited December 31, 2008
<b>12. CONTINGENCIES AND COMMITMENTS</b>		
<b>12.1 Direct credit substitutes</b>		
Guarantees in favour of:		
Banks and financial institutions	1,419,019	1,455,678
<b>12.2 Transaction-related contingent liabilities</b>		
Guarantees in favour of:		
Government	6,510,421	7,736,845
Others	5,206,649	4,088,278
	11,717,070	11,825,123
<b>12.3 Trade-related contingent liabilities</b>	77,070,403	75,991,804
<b>12.4 Claims against the Bank not acknowledged as debt</b>	5,154,273	5,155,293
<b>12.5 Commitments to extend credit</b>		
<p>The Bank makes commitments to extend credit in the normal course of business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.</p>		
	Un-audited March 31, 2009 Rupees in '000'	Audited December 31, 2008
<b>12.6 Commitments in respect of forward foreign exchange contracts</b>		
Purchase	13,960,981	17,083,600
Sale	6,111,783	4,831,414
<b>12.7 Commitments in respect of:</b>		
Civil works	650,394	929,810
Acquisition of operating fixed assets	407,706	145,987
<b>12.8 Commitments in respect of lease financing</b>	31,250	48,567
<b>12.9 Commitments in respect of purchase of shares</b>	317,271	450,643
<b>12.10 Commitments in respect of procurement of software</b>	-	142,859
<b>12.11 Commitments in respect of purchase of T-Bills</b>	-	8,000,000

12.12 Contingencies

12.12.1 There is no change in the status of Contingencies, set out in note 22.14 to the financial statements of the Bank for the year ended December 31, 2008, except for the contingency as mentioned below:

12.12.2 The Income tax assessments of the Bank have been finalized upto and including Tax Year 2008 for local operations and Azad Kashmir Operations.

- a) While finalizing income tax assessments up to the assessment year 2000–2001, the Income Tax Authorities made certain add backs with a tax impact of Rs.219 million. As a result of appeals filed by the Bank before the Appellate Authorities, these add-backs were set-aside with a tax impact of Rs. 125 million.
- b) While finalizing income tax assessments from Assessment year 2001–2002 to tax year 2006, the income tax authorities made certain add backs with tax impact amounting to Rs. 6,500 million. As a result of Appeals filed by the Bank before the Appellate Authorities, these add-backs were deleted and set-aside, by Appellate Authorities, with tax impact of Rs.4,102 million and Rs.2,398 million respectively.
- c) The assessment for Tax Year 2007 and 2008 have been finalized with net additional tax liability of Rs. 2,798 millions. The Bank has filed appeals against the orders before the appellate authority.

Pending the finalization of the above-referred matters, no provision has been made by the Bank in an aggregate sum of Rs. 7,448 million in these financial statements. This sum includes tax liability, aggregating to Rs. 4,102 million, already deleted by the Appellate Authorities and Income Tax Department is also in appeal before higher Appellate Authorities. While giving appeal effect on most of the deleted issues a refund of Rs. 3,875 million has been determined. The management is hopeful that the outcome of these appeals will be in favor of the Bank.

13. EARNINGS PER SHARE – BASIC AND DILUTED

	Rupees in '000'	
Profit after tax for the period attributable to ordinary shareholders	1,443,826	1,358,638
	Number of Shares	
Weighted average number of Ordinary Shares outstanding during the period	646,364,325	646,364,325
	Rupees	
Earnings per share – basic and diluted	2.23	2.10

There is no dilution effect on basic earnings per share.

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the quarter ended March 31, 2009

## 14. RELATED PARTY TRANSACTIONS

The Bank and subsidiary have related party relationships with companies having common directorship, directors and employee benefit plans. Transactions with 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 the accounts in respect of staff retirement benefits are made in accordance with actuarial valuation (terms of contribution plan).

Details of transactions with related parties except those under the terms of employment and balances with them as at the period/year end were as follows:

	Un-audited March 31, 2009				Audited December 31, 2008			
	Directors	Associated Companies	Key management personnel	Other related parties	Directors	Associated Companies	Key management personnel	Other related parties
<b>Nature of related party transactions</b>								
<b>Loans</b>								
Loans at the beginning of the period/year				3,797,789				2,053,508
Loans given during the period/year	3,977	-	253,361	3,089,178	11,783	-	75,899	8,907,741
Loans repaid during the period/year	(3,755)	-	(8,808)	(1,572,177)	(10,355)	-	(22,747)	(7,163,460)
Loans at the end of the period/year	27,262	-	252,218	5,314,790	27,040	-	253,961	3,797,789
<b>Deposits</b>								
Deposits at the beginning of the period/year	4,845	55,082	11,105	125,001	3,763	87,452	17,499	2,953
Deposits received during the period/year	5,383	531,533	38,062	1,143,918	1,005,191	2,490,881	189,675	5,810,587
Deposits repaid during the period/year	(6,596)	(90,338)	(38,564)	(1,263,303)	(1,004,059)	(2,523,251)	(196,069)	(5,688,539)
Deposits at the end of the period/year	3,812	26,597	10,603	5,616	4,845	55,082	11,105	125,001
<b>Net receivable from</b>								
staff retirement benefit funds	-	-	-	1,403,550	-	-	-	1,393,710
Staff retirement fund deposits	-	-	-	3,639,527	-	-	-	3,317,336
Investments in Shares	-	235,969	-	1,191,717	-	235,969	-	306,884
Nostro Balances	-	156,404	-	-	-	372,416	-	-
Rent Payable	-	-	-	664	-	-	-	1,328
<b>Un-audited March 31, 2009</b>								
Directors	Associated Companies	Key management personnel	Other related parties	Rupees in '000				
272	-	3,413	6,403	Directors	Associated Companies	Key management personnel	Other related parties	
-	106	-	-	-	-	-	1,179	-
525	-	37	69,920	4	-	-	33	52,754
-	-	-	-	500	-	-	-	-
-	-	-	14,712	-	-	-	-	12,949
-	-	-	1,993	-	-	-	-	1,993
-	-	-	-	-	-	-	2	-
-	-	-	153,406	-	-	-	-	(44,263)
<b>Un-audited March 31, 2008</b>								
Directors	Associated Companies	Key management personnel	Other related parties	Rupees in '000				
272	-	3,413	6,403	Directors	Associated Companies	Key management personnel	Other related parties	
-	106	-	-	-	-	-	1,179	-
525	-	37	69,920	4	-	-	33	52,754
-	-	-	-	500	-	-	-	-
-	-	-	14,712	-	-	-	-	12,949
-	-	-	1,993	-	-	-	-	1,993
-	-	-	-	-	-	-	2	-
-	-	-	153,406	-	-	-	-	(44,263)

**Notes to the Consolidated Condensed Interim Financial Statements  
(Un-audited) for the quarter ended March 31, 2009**

**15. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES**

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

For the Period Ended March 31, 2009 (Un-audited)						
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Asset Management
Rupees in '000						
Total Income	214,656	463,483	5,142,728	8,858,302	83,972	20,252
Total Expenses	(116,251)	(437,035)	(4,431,516)	(8,295,975)	(34,228)	(24,562)
Net Income	98,405	26,448	711,212	562,327	49,744	(4,310)
For the Period Ended March 31, 2008 (Un-audited)						
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Asset Management
Rupees in '000						
Total Income	153,617	483,261	3,059,246	5,649,742	29,008	10,603
Total Expenses	(80,006)	(407,196)	(2,516,803)	(4,996,739)	(16,903)	(9,192)
Net Income	73,611	76,065	542,443	653,003	12,105	1,411

**16. GENERAL**

Figures have been rounded off to the nearest thousand rupees.

**17. DATE OF AUTHORIZATION FOR ISSUE**

These consolidated condensed interim financial statements were authorized for issue on April 25, 2009 by the Board of Directors of the Bank.

Chief Financial Officer

President and Chief Executive

Director

Director

Director

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**Condensed Interim Financial Statements**  
for the quarter ended March 31, 2009