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## CORPORATE INFORMATION

<b>Board of Directors</b>	Ali Raza D. Habib Abbas D. Habib Anwar Haji Karim Faiz N. Abdulali Hasnain A. Habib Imtiaz Alam Hanfi Murtaza H. Habib Qumail R. Habib Syed Mazhar Abbas Tariq Iqbal Khan	<i>Chairman</i> <i>Chief Executive &amp; Managing Director</i>      <i>Executive Director</i>
<b>Audit Committee</b>	Faiz N. Abdulali Ali Raza D. Habib Anwar Haji Karim Syed Mazhar Abbas	<i>Chairman</i> <i>Member</i> <i>Member</i> <i>Member</i>
<b>Company Secretary</b>	Mahmood S. Allarakhia	
<b>Statutory Auditors</b>	Taseer Hadi Khalid & Co. Chartered Accountants	
<b>Legal Advisor</b>	Liaquat Merchant Associates Advocates and Corporate Legal Consultants	
<b>Registered Office</b>	126-C, Old Bahawalpur Road, Multan	
<b>Principal Office</b>	2nd Floor, Mackinnons Building, I.I. Chundrigar Road, Karachi	
<b>Share Registrar</b>	M/s. Gangjees Registrar Services (Pvt) Ltd. 516, Clifton Centre, Khayaban-e-Roomi, Block - 5, Clifton, Karachi-75600.	
<b>Website</b>	www.bankalhabib.com	



## **DIRECTORS' REVIEW**

On behalf of the Board of Directors, it is my pleasure to present the un-audited accounts of the Bank for the half year ended June 30, 2005.

Al-Hamdolillah, during the six month period, the Bank grew in all the areas of its operations. Deposits increased to Rs. 65.8 Billion on June 30, 2005 from Rs. 62.1 Billion on December 31, 2004 whereas Advances in the same period increased to Rs. 49.9 Billion from Rs. 47.4 Billion. Foreign Trade Business also increased as compared to the corresponding period of last year. The Pre-tax profit of the Bank for the half year was Rs. 905.0 million as against Rs. 504.1 million during the first half of last year. The rise in profitability was on account of overall increase in mark-up rates, favourable market conditions and income from trade related business.

Based on the interim results, the Board is pleased to propose issue of 20 bonus shares for every 100 shares held i.e. 20% out of the undivided profits. The shareholders shall consider the proposal for approval in the forthcoming Extraordinary General Meeting.

As part of the branch expansion plan, the Bank will Inshallah continue to open new branches in the remaining part of the year.

Pakistan Credit Rating Agency (Pvt.) Ltd. (PACRA) has maintained the Bank's rating which is AA for long term and A1+ for short term, denoting a very high credit quality, low expectation of credit risk and obligations supported by the highest capacity for timely repayments.

We are grateful to our customers for their support, to the State Bank of Pakistan for their continued guidance and to our foreign and local correspondent banks for their valuable services. We also thank all our staff members for their sincere and dedicated services.

On behalf of the Board of Directors

ALI RAZA D. HABIB  
**Chairman**

Karachi: August 24, 2005



## REVIEW REPORT TO THE MEMBERS

We have reviewed the annexed balance sheet of **Bank AL Habib Limited** as at 30 June 2005 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "financial statements") for the six months period then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review nothing has come to our attention that causes us to believe that accompanying financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Karachi: August 24, 2005

TASEER HADI KHALID & CO.  
***Chartered Accountants***



## BALANCE SHEET AS AT 30 JUNE 2005

	Note	30-June 2005 (Un-audited) (Rupees in '000)	31-December 2004 (Audited)
<b>ASSETS</b>			
Cash and Balances with Treasury Banks		6,481,612	6,239,421
Balances with Other Banks		1,001,598	4,287,685
Lendings to Financial Institutions		1,621,496	2,471,000
Investments	4	20,126,383	14,413,794
Advances	5	49,952,356	47,366,953
Other Assets		1,578,556	1,130,340
Operating Fixed Assets		1,883,991	1,526,360
Deferred Tax Assets		—	—
		<b>82,645,992</b>	<b>77,435,553</b>
<b>LIABILITIES</b>			
Bills Payable		1,945,224	1,344,637
Borrowings from Financial Institutions		8,308,781	7,975,185
Deposits and Other Accounts	7	65,779,238	62,170,628
Sub-ordinated loans	8	1,349,730	1,350,000
Liabilities against assets subject to finance lease		203,956	138,395
Other Liabilities		548,723	336,700
Deferred Tax Liabilities - net		225,689	295,596
		<b>78,361,341</b>	<b>73,611,141</b>
Net Assets		<b>4,284,651</b>	<b>3,824,412</b>
<b>REPRESENTED BY</b>			
Share Capital		1,825,928	1,352,539
Reserves		1,911,343	1,910,091
Unappropriated Profit		88,043	11,715
		<b>3,825,314</b>	<b>3,274,345</b>
Surplus on Revaluation of Assets - net of deferred tax		<b>459,337</b>	<b>550,067</b>
		<b>4,284,651</b>	<b>3,824,412</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		

The annexed notes 1 to 15 form an integral part of these financial statements.

ALI RAZA D. HABIB  
*Chairman*

ABBAS D. HABIB  
*Chief Executive and  
Managing Director*

ANWAR HAJI KARIM  
*Director*

SYED MAZHAR ABBAS  
*Director*



**PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2005**

	Note	Six months period ended		Three months period ended	
		30 June 2005	30 June 2004	30 June 2005	30 June 2004
(Rupees in '000)					
Mark-up / Return / Interest Earned		1,983,304	1,083,159	1,072,443	551,318
Mark-up / Return / Interest Expensed		(756,708)	(399,294)	(402,494)	(202,771)
Net Mark-up / Return / Interest Income		1,226,596	683,865	669,949	348,547
Reversal / (provision) against non-performing loans and advances		10,296	(8,360)	20,893	(8,360)
Provision for diminution in the value of investment		(1,513)	-	(1,513)	-
Bad debts written off directly		-	-	-	-
Net Mark-up / Return / Interest Income after provisions		1,235,379	675,505	689,329	340,187
<b>NON-MARK-UP / INTEREST INCOME</b>					
Fee, Commission and Brokerage Income		238,862	176,095	123,221	95,218
Dividend Income		17,818	8,212	2,077	4,172
Income from trading in government securities		76	89,966	76	131
Income from dealing in foreign currencies		138,312	80,245	65,357	45,614
Other Income	10	59,761	98,517	30,126	38,543
Total Non-mark-up / Interest Income		454,829	453,035	220,857	183,678
		1,690,208	1,128,540	910,186	523,865
<b>NON-MARK-UP / INTEREST EXPENSES</b>					
Administrative Expenses		785,042	623,859	406,993	319,911
Other Assets written off		-	-	-	-
Other charges		80	628	58	1
Total non-markup / Interest expenses		(785,122)	(624,487)	(407,051)	(319,912)
<b>PROFIT BEFORE TAXATION</b>		905,086	504,053	503,135	203,953
Taxation - Current		320,837	210,000	168,095	104,000
- Prior years		68,849	50,000	68,849	50,000
- Deferred		(31,873)	(3,333)	(30,878)	(1,666)
		(357,813)	(256,667)	(206,066)	(152,334)
<b>PROFIT AFTER TAXATION</b>		547,273	247,386	297,069	51,619
Basic / Diluted earnings per share	Rupees	3.00	1.35	1.63	0.28

The annexed notes 1 to 15 form an integral part of these financial statements.

ALI RAZA D. HABIB  
*Chairman*

ABBAS D. HABIB  
*Chief Executive and  
Managing Director*

ANWAR HAJI KARIM  
*Director*

SYED MAZHAR ABBAS  
*Director*



## CASH FLOW STATEMENT (UN-AUDITED)

	30-June 2005 (Rupees in '000)	30-June 2004
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Taxation	905,086	504,053
Less : Dividend Income	(17,818)	(8,212)
	887,268	495,841
<b>Adjustments for Non-Cash Charges</b>		
Depreciation	37,139	30,653
Amortization	34,083	1,348
Provision for compensated absences	6,400	-
Provision for diminution in the value of investment	1,513	-
Provision for defined benefit plan (Reversal) / Provision against non-performing loans and advances	7,357	3,900
Financial charges on leased assets	(10,296)	8,360
Gain on sale of operating fixed assets	7,405	549
Gain on sale of listed securities	(3,057)	(3,890)
Gain on sale of government securities	(7,502)	(50,759)
	(76)	(89,966)
	72,966	(99,805)
	960,234	396,036
<b>(Increase) / Decrease in Operating Assets</b>		
Lendings to financial institutions	849,504	(6,172,607)
Advances	(2,575,107)	(5,294,591)
Other Assets (Excluding Advance Taxation)	(423,446)	(112,359)
	(2,149,049)	(11,579,557)
<b>Increase / (Decrease) in Operating Liabilities</b>		
Bills Payable	600,587	235,247
Borrowings from financial institutions	333,596	(729,536)
Deposits and Other Accounts	3,608,610	8,101,577
Other Liabilities	198,515	(103,918)
	4,741,308	7,503,370
	3,552,493	(3,680,151)
Income Tax paid	(445,633)	(383,770)
Net Cash flow from Operating Activities (balance carried forward)	3,106,860	(4,063,921)

ALI RAZA D. HABIB  
**Chairman**

ABBAS D. HABIB  
**Chief Executive and  
Managing Director**



**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2005**

	30-June 2005 (Rupees in '000)	30-June 2004
Net Cash flow from Operating Activities (balance brought forward)	3,106,860	(4,063,921 )
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Investments	<b>(5,831,591 )</b>	2,376,053
Dividend Income	17,818	8,212
Investments in operating fixed assets	<b>(314,864 )</b>	(146,667 )
Sale Proceeds of property and equipment disposed-off	3,305	4,145
Net Cash flow from investing activities	<b>(6,125,332 )</b>	2,241,743
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Sub-ordinated loan	<b>(270 )</b>	1,150,000
Repayment of finance lease obligations	<b>(24,905 )</b>	(1,410 )
Dividend paid	<b>(249 )</b>	(101,402 )
Net Cash flow from financing activities	<b>(25,424 )</b>	1,047,188
Decrease in Cash and Cash Equivalents	<b>(3,043,896 )</b>	(774,990 )
Cash and Cash Equivalents at the Beginning of the period	<b>10,527,106</b>	6,655,264
Cash and Cash Equivalents at the end of the period	<b>7,483,210</b>	5,880,274
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and Balances with Treasury Banks	<b>6,481,612</b>	5,466,857
Balances with Other Banks	<b>1,001,598</b>	413,417
	<b>7,483,210</b>	5,880,274

The annexed notes 1 to 15 form an integral part of these financial statements.

ANWAR HAJI KARIM  
*Director*

SYED MAZHAR ABBAS  
*Director*



## STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2005

	Share Capital	Reserves			Unapp- ropriated Profit	Total	
		Reserve for issue of Bonus Shares	Statutory Reserve	Special Reserve			General Reserve
(Rupees in '000)							
Balance at 01 January 2004	1,082,031	270,508	662,000	126,500	540,000	44,928	2,725,967
Profit for the period	-	-	-	-	-	247,386	247,386
Transfer from surplus on							
revaluation of fixed assets-net	-	-	-	-	-	6,190	6,190
Transfer to statutory reserve	-	-	49,477	-	-	(49,477)	-
Issue of bonus shares	270,508	(270,508)	-	-	-	-	-
Balance at 30 June 2004	1,352,539	-	711,477	126,500	540,000	249,027	2,979,543
Profit for the period	-	-	-	-	-	293,625	293,625
Transfer from surplus on							
revaluation of fixed assets-net	-	-	-	-	-	1,177	1,177
Transfer to statutory reserve	-	-	58,725	-	-	(58,725)	-
Transfer to reserve for issue of bonus shares	-	473,389	-	-	-	(473,389)	-
Balance at 31 December 2004	1,352,539	473,389	770,202	126,500	540,000	11,715	3,274,345
Profit for the period	-	-	-	-	-	547,273	547,273
Transfer from surplus on							
revaluation of fixed assets - net	-	-	-	-	-	3,696	3,696
Transfer to statutory reserve	-	-	109,455	-	-	(109,455)	-
Issue of bonus shares	473,389	(473,389)	-	-	-	-	-
Transfer to reserve for issue of bonus shares	-	365,186	-	-	-	(365,186)	-
<b>Balance at 30 June 2005</b>	<b>1,825,928</b>	<b>365,186</b>	<b>879,657</b>	<b>126,500</b>	<b>540,000</b>	<b>88,043</b>	<b>3,825,314</b>

The annexed notes 1 to 15 form an integral part of these financial statements.

ALI RAZA D. HABIB  
*Chairman*

ABBAS D. HABIB  
*Chief Executive and  
Managing Director*

ANWAR HAJI KARIM  
*Director*

SYED MAZHAR ABBAS  
*Director*



## **NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2005**

### **1. STATUS AND NATURE OF BUSINESS**

The Bank was incorporated in Pakistan on October 15, 1991, as a public limited company under the Companies Ordinance, 1984 having its registered office in Multan with principal place of business being in Karachi. Its shares are listed on all the Stock Exchanges in Pakistan. It is a scheduled bank principally engaged in the business of commercial banking with a network of 77 branches (2004: 74 branches) operating throughout the country.

### **2. STATEMENT OF COMPLIANCE**

These financial statements are un-audited and are being submitted as required by Section 245 of the Companies Ordinance, 1984. These are presented in condensed form in accordance with the requirements of International Accounting Standard 34, "Interim Financial Reporting" and BSD Circular Letter No. 02 dated 12 May 2004 of the State Bank of Pakistan.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted for the preparation of these financial statements are the same as those applied in the preparation of the financial statements for the preceding year ended 31 December 2004.



#### 4. INVESTMENTS

	30 June 2005			31 December 2004		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
	(Rupees in '000)					
<b>Held to maturity</b>						
Federal Investment Bonds	100,208	-	100,208	101,267	-	101,267
Pakistan Investment Bonds	2,790,992	-	2,790,992	2,970,179	-	2,970,179
Market Treasury Bills	11,744,344	983,923	12,728,267	6,775,306	299,620	7,074,926
Term Finance Certificates						
- Listed	381,720	-	381,720	479,997	-	479,997
- Unlisted	174,993	-	174,993	174,995	-	174,995
Unlisted WAPDA Bonds	600,089	-	600,089	600,101	-	600,101
	<b>15,792,346</b>	<b>983,923</b>	<b>16,776,269</b>	<b>11,101,845</b>	<b>299,620</b>	<b>11,401,465</b>
<b>Available for sale securities</b>						
Pakistan Investment Bonds	1,774,846	-	1,774,846	2,080,184	301,503	2,381,687
Market Treasury Bills	903,972	-	903,972	-	-	-
Fully Paid-up Ordinary Shares						
- Listed	264,479	-	264,479	241,903	-	241,903
- Unlisted	35,700	-	35,700	35,700	-	35,700
Mutual Funds	349,804	-	349,804	330,001	-	330,001
S.W.I.F.T.	1,684	-	1,684	1,896	-	1,896
	<b>3,330,485</b>	<b>-</b>	<b>3,330,485</b>	<b>2,689,684</b>	<b>301,503</b>	<b>2,991,187</b>
<b>Associates</b>						
Fully Paid-up Ordinary Shares						
- Habib Sugar Mills Limited	21,142	-	21,142	21,142	-	21,142
Provision for diminution in the value of investment	(1,513)	-	(1,513)	-	-	-
	<b>19,142,460</b>	<b>983,923</b>	<b>20,126,383</b>	<b>13,812,671</b>	<b>601,123</b>	<b>14,413,794</b>

#### 5. ADVANCES

	30 June 2005	31 December 2004
	(Rupees in '000)	
Loans, cash credits, running finances, etc.		
- In Pakistan	42,508,661	43,087,102
Bills discounted and purchased (excluding treasury bills)		
- Payable in Pakistan	3,297,324	1,557,031
- Payable outside Pakistan	4,284,479	2,892,848
	<b>7,581,803</b>	<b>4,449,879</b>
	<b>50,090,464</b>	<b>47,536,981</b>
Provision for non-performing advances	(138,108)	(170,028)
	<b>49,952,356</b>	<b>47,366,953</b>



5.1 Advances includes Rs. 138.631 million (Dec. 2004: Rs. 206.405 million) which have been placed under non-performing status as detailed below:

Category of Classification	Domestic	Provision Required (Rupees in '000)	Provision Held
Other Assets Especially Mentioned	17	–	–
Substandard	1,076	246	246
Doubtful	450	225	225
Loss	137,088	67,637	67,637
	<u>138,631</u>	<u>68,108</u>	<u>68,108</u>
General provision		–	70,000
		<u>68,108</u>	<u>138,108</u>
31 December 2004	<u>206,405</u>	<u>100,028</u>	<u>170,028</u>

5.2 The Prudential Regulations issued by the State Bank of Pakistan effective from 01 January 2004 require banks to maintain a general reserve equal to 1.5% of the consumer portfolio which is fully secured and 5% of the consumer portfolio which is unsecured to protect the bank from the risk associated with the economic cyclical nature of this business. The provision for secured and unsecured consumer portfolio amounting to Rs. 17.640 million is included in the general provision.

## 6. OPERATING FIXED ASSETS

6.1 Following is the cost of operating fixed assets added during the period

	Six months period to 30 June 2005 (Rupees in '000)	Six months period to 30 June 2004
Improvements to leasehold buildings	2,253	–
Land and buildings	242,719	167,775
Equipments and furniture and fixtures		
– Owned	12,188	9,457
– Leased	35,718	60,203
	47,906	69,660
Vehicles		
– Owned	658	210
– Leased	47,885	32,294
	48,543	32,504
Intangible assets - computer software	1,625	2,094
	<u>343,046</u>	<u>272,033</u>



6.2 Following is the cost of operating fixed assets disposed off during the period

	Six months period to 30 June 2005	Six months period to 30 June 2004
Equipments and furniture and fixtures	3,167	4,569
Vehicles	915	436
	<b>4,082</b>	<b>5,005</b>

7. DEPOSITS AND OTHER ACCOUNTS

30 June 2005      31 December 2004

(Rupees in '000)

7.1 Customers

– Fixed deposits	13,867,749	9,092,671
– Savings deposits	17,132,831	16,496,790
– Current accounts - Remunerative	12,682,651	15,322,376
– Current accounts - Non-remunerative	20,698,976	20,044,933
	<b>64,382,207</b>	<b>60,956,770</b>

7.2 Financial Institutions

– Remunerative deposits	1,166,268	1,126,323
– Non-remunerative deposits	230,763	87,535
	<b>1,397,031</b>	<b>1,213,858</b>
	<b>65,779,238</b>	<b>62,170,628</b>

8. SUB-ORDINATED LOAN

Term Finance Certificates (TFCs)	<b>1,349,730</b>	<b>1,350,000</b>
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The bank has raised sub-ordinated loan by way of issuing rated, listed and un-secured subordinated Term Finance Certificates as Tier II capital in the light of guidelines issued by the State Bank of Pakistan to support the bank's growth and improvement in capital adequacy ratio. The salient features of this instrument are as follows:

Total issue	Rupees 1,350 million
Rating	AA-
Rate	Payable six monthly on January 15 and July 15 at average six months KIBOR plus 150 bps
Floor	3.50%
Ceiling	10.00%
Repayment	8 Years
Redemption	6-78th month: 0.25%
	84th month: 33.25%
	90th month: 33.25%
	96th month: 33.25%

Maturity Date	15 July 2012
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## 9. CONTINGENCIES AND COMMITMENTS

	30 June 2005	31 December 2004
	(Rupees in '000)	
<b>9.1 Direct Credit Substitutes</b>		
Acceptances	<u>3,333,234</u>	<u>2,614,550</u>
<b>9.2 Transaction-related Contingent Liabilities</b>		
<b>Guarantees issued favoring</b>		
Contingent liability in respect of performance bonds, bid bonds, shipping guarantees and stand by letter of credits favouring:		
– Government	2,183,680	2,035,970
– Financial Institutions	54,820	84,971
– Others	964,665	822,642
	<u>3,203,165</u>	<u>2,943,583</u>
<b>9.3 Trade-related Contingent Liabilities</b>		
Letters of credit	<u>15,106,270</u>	<u>12,575,375</u>
<b>9.4 Other contingencies</b>		
The income tax assessments of the bank have been finalized upto tax year 2004 (accounting year ended 31 December 2003). The income tax department has filed an appeal against the appellate order relating to the assessment years 1995-1996, 2001-2002 & 2002-2003 before ITAT on which tax liability, if any, of Rs. 103 million may arise. The bank, based on the earlier decisions at ITAT level in previous years and the tax advisors opinion is confident of a favourable outcome and expects that no additional liability would arise.		
<b>9.5 Commitments in respect of forward lending</b>		
	30 June 2005	31 December 2004
	(Rupees in '000)	
Commitments to extend credit	<u>802,920</u>	<u>400,000</u>
<b>9.6 Commitments in respect of forward exchange contracts</b>		
Purchase	2,098,001	3,361,224
Sale	3,205,891	5,922,139

The maturities of above contracts are spread over a period of one year.



	<b>30 June 2005</b>	<b>31 December 2004</b>
	(Rupees in '000)	
<b>9.7 Commitments for the acquisition of operating fixed assets</b>	<b>73,405</b>	<b>93,246</b>
<b>9.8 Commitments in respect of operating leases</b>		
Not later than one year	109,522	144,607
Later than one year and not later than five years	20,900	64,386
	<b>130,422</b>	<b>208,993</b>

The bank has entered into operating lease arrangements whereby equipments and vehicles are acquired on lease. The lease rentals are payable over a period of 36 to 48 months

## 10. OTHER INCOME

	<b>Six months period to 30 June 2005</b>	<b>Six months period to 30 June 2004</b>
	(Rupees in '000)	
Gain on sale of listed securities	7,502	50,759
Net profit on sale of operating fixed assets	3,057	3,890
Other receipts	49,202	43,868
	<b>59,761</b>	<b>98,517</b>

## 11. ISLAMIC BANKING BUSINESS

The bank is currently operating with one Islamic Banking branch. The key financial figures of Islamic Banking business at period end are as follows:

	<b>30 June 2005</b>	<b>31 December 2004</b>
	(Rupees in' 000)	
Islamic Banking funds	50,000	–
Deposits and other accounts	10,777	–
Due to Head Office	115,736	–
Murabaha Financing	170,857	–

## 12. RELATED PARTY TRANSACTIONS

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

	<b>Six months period to 30 June 2005</b>	<b>Year ended 31 December 2004</b>
	(Rupees in '000)	
<b>i. Financing</b>		
– Balance at beginning of the period / year	266,313	273,072
– Disbursement during the period / year	250	166,416
– Repayments during the period / year	(999)	(173,175)
– Balance at end of the period / year	<b>265,564</b>	<b>266,313</b>



	<b>Six months period to 30 June 2005</b>	<b>Year ended 31 December 2004</b>
	<b>(Rupees in '000)</b>	
ii. Deposits		
– Balance at beginning of the period / year	135,261	266,310
– Placements during the period / year	7,237,110	41,058,754
– Withdrawals during the period / year	(7,295,812)	(41,189,803)
– Balance at end of the period / year	76,559	135,261
iii. Guarantees	–	–
iv. Mark-up / Interest expensed	1,343	2,578
v. Mark-up / interest earned / bank charges recovered	4,965	4,212
vi. Contribution to staff provident fund	12,859	9,706
vii. Insurance premium paid	41,030	32,099
viii. Insurance claims received	4,928	1,638
ix. Dividend income on investment	4,008	2,004
x. Dividend paid	–	1,710

xi. Compensation to key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including any director (whether executive or otherwise) of the entity.

	<b>Six months period to 30 June 2005</b>	<b>Six months period to 30 June 2004</b>
	<b>(Rupees in '000)</b>	
– Salaries, allowances, etc.	23,799	18,915
– Charge for defined benefit plan	439	305
– Contribution to defined Contribution plan	1,175	903
– Charge for compensated absences	2,415	–
– Bonus	2,642	2,100
– Non-executive directors' fee allowances and other expenses	32	24

The bank continues to have a policy whereby all transactions with related parties are entered into at arm's length prices.

### 13. BONUS ISSUE

The Board of Directors in their meeting held on 24 August 2005, recommended bonus issue of 20%. The issue will be approved by the shareholders in the forthcoming Extra Ordinary General Meeting.

### 14. GENERAL

Figures have been rounded off to the nearest thousand rupees.

### 15. DATE OF AUTHORIZATION

These financial statements were authorized for issue in the Board of Directors meeting held on 24 August 2005

ALI RAZA D. HABIB <i>Chairman</i>	ABBAS D. HABIB <i>Chief Executive and Managing Director</i>	ANWAR HAJI KARIM <i>Director</i>	SYED MAZHAR ABBAS <i>Director</i>
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## Branch Network

### KARACHI

#### MAIN BRANCH

Mackinnons Building, I.I. Chundrigar Road.  
Phones : (92-21) 2412986 & 111-786-110  
Fax : (92-21) 2425423 & 2412028  
Telex : 21286 ALHAB PK

#### SHAHRAH-E-FAISAL BRANCH

19-1-A, Block 6, P.E.C.H.S.,  
Shahrah-e-Faisal.  
Phones : (92-21) 4544383-87  
Fax : (92-21) 4530143

#### GULSHAN-E-IQBAL BRANCH

B-39, Al-Shams Centre, Block 13-A,  
University Road, Gulshan-e-Iqbal.  
Phones : (92-21) 4989162-63  
Fax : (92-21) 4989164

#### ZAMZAMA BRANCH

16-C, Commercial Lane 3, Phase V,  
Zamzama Boulevard, D.H.A.  
Phones : (92-21) 5863986, 5861804  
Fax : (92-21) 5863914

#### S.I.T.E., BRANCH

B/76, S. S. Chambers, S.I.T.E.,  
Phones : (92-21) 2571710 -11 & 2571521  
Fax : (92-21) 2571522

#### BAHADURABAD BRANCH

Central Commercial Area, B.C.H.S.,  
Bahadurabad.  
Phones : (92-21) 4915803-5  
Fax : (92-21) 4915802

#### M.A. JINNAH ROAD BRANCH

Godrej Kandawalla Building,  
M.A. Jinnah Road.  
Phones : (92-21) 2228494, 2228458  
Fax : (92-21) 2228450

#### CLOTH MARKET BRANCH

Ground Floor, Lotus Manzil, BR-2,  
New Neham Road, Cloth Market.  
Phones : (92-21) 2401301-4  
Fax : (92-21) 2401300

#### KARACHI STOCK EXCHANGE BRANCH

Room No. 4-6, Stock Exchange Building,  
Stock Exchange Road.  
Phones : (92-21) 2401516-19  
Fax : (92-21) 2401520

#### JODIA BAZAR BRANCH

MR-1/16, Ram Bharti Street,  
Market Quarter, Jodia Bazar.  
Phones : (92-21) 2446451-5  
Fax : (92-21) 2473390

#### NAPIER ROAD BRANCH

2-A, Ground Floor, Yousufi Manzil,  
North Napier Road.  
Phones : (92-21) 2731496, 2771321 & 2771218  
Fax : (92-21) 2771187

#### NEW CHALLI BRANCH

Haji Adam Chambers,  
Altaf Hussain Road.  
Phones : (92-21) 2410526, 2410876 & 2410917  
Fax : (92-21) 2411048

#### FEDERAL 'B' AREA BRANCH

ST. 4/A-2, Block-20,  
Al-Noor Society, F.B. Area.  
Phones : (92-21) 6345611, 6345651 & 6345663  
Fax : (92-21) 6349879

#### CLIFTON BRANCH

Shaheen Centre, Block-7,  
K.D.A. Scheme No. 5, Clifton.  
Phones : (92-21) 5821882-4  
Fax : (92-21) 5821885

#### GULISTAN-E-JAUHAR BRANCH

Shahlimar Shopping Centre,  
Block-17, Gulistan-e-Jauhar.  
Phones : (92-21) 4010921-22  
Fax : (92-21) 4010911

#### BARKAT-E-HYDARI BRANCH

Al-Burhan Arcade, Block-E,  
North Nazimabad.  
Phones : (92-21) 6670115, 6631793-94  
Fax : (92-21) 6670116

#### KORANGI ROAD BRANCH

Speedy Towers Plot No. 131/1  
Phase-I, Defence Housing Authority.  
Phones : (92-21) 5386797-99  
Fax : (92-21) 5386796

#### NORTH KARACHI INDUSTRIAL AREA BRANCH

Nimra Corner, ST-3, Sector 12-A,  
North Karachi.  
Phones : (92-21) 6954196-98  
Fax : (92-21) 6954187

#### TIMBER MARKET BRANCH

Plot No. E-III-2, S-34, Siddiq Wahab Road,  
Phones : (92-21) 2762776, 2762778 & 2762784  
Fax : (92-21) 2762730

#### GULSHAN CHOWRANGI BRANCH

Plot No. FL-3, Block No. 3,  
KDA Scheme No. 24, Gulshan-e-Iqbal.  
Phones : (92-21) 4811971-3  
Fax : (92-21) 4985045

#### KHYABAN-E-SHAMSHEER BRANCH

Plot No. 2-C, Stadium Lane No. 4,  
Phase V, Defence Housing Authority.  
Phones : (92-21) 5846277-79  
Fax : (92-21) 5846179

#### ALLAMA IQBAL ROAD BRANCH

86-S, Block-2, Raja Terrace,  
P.E.C.H.S.  
Phones : (92-21) 4384661-4  
Fax : (92-21) 4384665

#### LEA MARKET BRANCH

Shop No. 1, Plot No. N.P 6/30-31,  
Zulikha Mansion, Napier Town Quarters.  
Phones : (92-21) 2540846-47, 2520684  
Fax : (92-21) 2540848

#### MUHAMMAD ALI HOUSING SOCIETY BRANCH

Block No. 7 & 8, Plot No. Z-130-131,  
Kathiawar Co-Operative Housing Society,  
Adamjee Nagar, Karachi.  
Phones : (92-21) 4533620-22  
Fax : (92-21) 4533618

#### PAKISTAN CHOWK BRANCH

Shop No. 1, Chandna Manzil,  
Kutchery Road.  
Phones : (92-21) 2212352-54  
Fax : (92-21) 2212350

#### NEW SABZI MANDI BRANCH

Administration Block, New Sabzi Mandi  
Super Highway.  
Phones : (92-21) 6380840-43  
Fax : (92-21) 6380844

#### WATER PUMP BRANCH

C-21, Block-13, Federal "B" Area,  
Shahrah-e-Pakistan.  
Phones : (92-21) 6369125, 6369114-15  
Fax : (92-21) 6369216

### Registered Office and Head Office

126-C, Old Bahawalpur Road, Multan. Phones: (92-61) 580314-16, 544539 & 111-786-110

Fax: (92-61) 582471 Telex: 42336 ALHML PK



## Branch Network

### FATIMA JINNAH COLONY BRANCH

6, Ruby Apartments, Jamshed Quarters,  
Phones : (92-21) 4854529, 4854548 & 4854560  
Fax : (92-21) 4854542

### MALIR HALT BRANCH

Plot No. 157, Malir Halt, Opp. Malir Halt  
Railway Station, Shahrah-e-Faisal, Karachi.  
Phones : (92-21) 4599591-3 & 4599611-2  
Fax : (92-21) 4599613

### PAKISTAN STEEL MILLS BRANCH

Pipri Bin Qasim, Karachi.  
Phones : (92-21) 4750617  
Fax : (92-21) 4750618

### RIZVIA SOCIETY BRANCH

D-9, Ishrat Arcade, Rizvia Co-operative  
Housing Society, Nazimabad.  
Phones : (92-21) 6607992-95  
Fax : (92-21) 6607996

### SADDAR BRANCH

Saddar Bazar Shop No. 4-6, Bukhara Centre,  
Raja Ghazanfar Ali Khan Road, Saddar.  
Phones : (92-21) 5658032-35  
Fax : (92-21) 5658030

### KORANGI INDUSTRIAL AREA BRANCH

Plot No. ST 2/2, Sector-23,  
Korangi Town Ship.  
Phones : (92-21) 5074492-95  
Fax : (92-21) 5074496

### SHERSHAH BRANCH

Shop No. 27-30, Plot No. D-283,  
Shershah, S.I.T.E. Area,  
Phones : (92-21) 2586241-44  
Fax : (92-21) 2586246

### EXPORT PROCESSING ZONE

W/1, & 2 Sector B-III,  
Export Processing Zone, Landhi Industrial  
Area.  
Phone : 5084832  
Fax : (92-21) 5084833

### GULSHAN-E-HADEED BRANCH:

Plot No. C-29, Phase-I, Gulshan-e-Hadeed,  
Bin Qasim, Karachi.  
Phone : 4717475  
Fax : (92-21) 4712604

### NAYABAD BRANCH:

Plot No. 121, Nayabad, Lyari Quarter, Karachi.  
Phones : 2514854-55, 2513953  
Fax : (92-21) 2513445

## LAHORE

### MAIN BRANCH

87, Shahrah-e-Quaid-e-Azam.  
Phones : (92-42) 6305042-45 & 111-786-110  
Fax : (92-42) 6368864 & 6305046  
Telex : 44 610 BAHLR PK

### NEW GARDEN TOWN BRANCH

Awami Complex, 1-4 Usman Block,  
Front Block V, New Garden Town.  
Phones : (92-42) 5869366-69  
Fax : (92-42) 5869370

### GULBERG BRANCH

3-E, Block E, Ground Floor,  
Main Market, Gulberg II.  
Phones : (92-42) 5762502 & 5754586  
Fax : (92-42) 5762501

### SHAHALAM MARKET BRANCH

Hilal-e-Ahmar Health Complex  
2, Queens Road, Shahalam Gate.  
Phones : (92-42) 7670496 & 7670498  
Fax : (92-42) 7670510

### PECO ROAD BRANCH

897-898, Block-D,  
Maulana Shaukat Ali Road, Faisal Town.  
Phones : (92-42) 5175169 & 5175430-31  
Fax : (92-42) 5175427

### CIRCULAR ROAD BRANCH

51, S.E. Vohra Building, Outside Akbari Gate,  
Circular Road, Lahore.  
Phones : (92-42) 7670671-73  
Fax : (92-42) 7670674

### ICCHRA BRANCH

144, Main Ferozepur Road, Icchra.  
Phones : (92-42) 7569982-3, 7569923  
Fax : (92-42) 7569924

### DEFENCE BRANCH

82-Y Commercial, Phase III, D.H.A.  
Phones : (92-42) 5894113-5894116  
Fax : (92-42) 5893303

### AZAM CLOTH MARKET BRANCH

1-Kamla Centre, Ittehad Bazar,  
Punjab Block, Azam Cloth Market.  
Phones : (92-42) 7672913-15  
Fax : (92-42) 7672916

### NEW ANARKALI BRANCH

1-A, New Anarkali, First Floor,  
Tariq Trade Centre, Chowk Lohari Gate.  
Phones : (92-42) 7674248-50  
Fax : (92-42) 7674252

### ALLAMA IQBAL TOWN BRANCH

7-Chenab Block, Main Boulevard,  
Allama Iqbal Town.  
Phones : (92-42) 5430918-20  
Fax : (92-42) 5430921

### BADAMI BAGH BRANCH

92-Grain Market, Badami Bagh.  
Phones : (92-42) 7708002-4  
Fax : (92-42) 7708005

### LAHORE STOCK EXCHANGE BRANCH

Room No. 112, 1st Floor,  
Stock Exchange Building,  
19, Khayaban-e-Iqbal.  
Phones : 6300125-27  
Fax : (92-42-6300128

### BRANDRETH ROAD BRANCH

52, Brandreth Road, Lahore.  
Phones : 7320253-5, 7311079  
Fax : (92-42) 7117288

## Multan

### MAIN BRANCH

126-C, Old Bahawalpur Road.  
Phones : (92-61) 4544539 & 111-786-110  
Fax : (92-61) 4582471  
Telex : 42336 ALHML PK

### HUSSAIN AGAHI BRANCH

Lohari Gate Shopping Centre,  
Hussain Agahi Road.  
Phones : (92-61) 4513893 & 4513577  
Fax : (92-61) 4513793



## Branch Network

### GHALLA MANDI BRANCH

135/C, Ghalla Mandi, Vehari Road.  
Phones : (92-61) 4232627-28  
Fax : (92-61) 4232629

### FAISALABAD

Bank Square, Outside Kutchery Bazar.  
Phones : (92-41) 2637301-3 & 111-786-110  
Fax : (92-41) 2614266  
Telex : 43528 ALHAB PK

### BUREWALA

67/F Vehari Road, Burewala  
Phones : (92-067) 3775231-33  
Fax : (92-067) 3772534

### SIALKOT

Paris Road.  
Phones : (92-052) 4597064 & 111-786-110  
Fax : (92-052) 4592747  
Telex : 46426 ALHAB PK

### SHEIKHUPURA

B-IX-64-95/A, Sarghoda Road,  
Near Sharif Plaza.  
Phones : (92-4931) 612906 & 111-786-110  
Fax : (92-4931) 612877

### SAHIWAL

271, Block-2, High Street (Jinnah Road).  
Phones : (92-441) 66021 & 67021  
Fax : (92-441) 64031

### SADIQABAD

Plot No. 24, Allama Iqbal Road.  
Phones : (92-068) 5801101-03  
Fax : (92-068) 5801104

### RAHIM YAR KHAN

Shahi Road.  
Phones : (92-068) 5884557 & 5884508-9  
Fax : (92-068) 5884503

### KHANPUR

Plot No. 8/9, Model Town Road, Khanpur,  
Distt Rahim Yar Khan.  
Phones : (92-068) 5576702-3  
Fax : (92-068) 5576704

### ISLAMABAD

MAIN BRANCH  
90-91, Razia Sharif Plaza,  
Jinnah Avenue, Blue Area.  
Phones : (92-51) 2270883-4 & 111-786-110  
Fax : (92-51) 2270885  
Telex : 54726 BAHID PK  
F-10 MARKAZ BRANCH  
F-10 Markaz.  
Phones : (92-51) 2297758-2213482  
Fax : (92-51) 2296895

### RAWALPINDI

40/3, Jhanzeb Centre, Bank Road,  
Rawalpindi Cantt.  
Phones : (92-51) 5519936-38  
Fax : (92-51) 5519939  
CITY BRANCH  
C/30, C/32, Iqbal Road, Trunk Bazar,  
Rawalpindi City.  
Phones : (92-51) 5553462, 5553664  
Fax : (92-51) 5554493

### PESHAWAR

105-106, F.C. Trust Building,  
Sonehri Masjid Road.  
Phones : (92-91) 279814 & 111-786-110  
Fax : (92-91) 279861

### MIRPUR (AZAD KASHMIR)

82-A/B, Allama Iqbal Road, Sector B-4.  
Phone : (92-58610) 45064  
Fax : (92-58610) 44766

### GUJRAT

Ground Floor, Soufi Hotel, G.T. Road.  
Phones : (92-053) 3515803 & 111-786-110  
Fax : (92-053) 3525628

### D.G. KHAN

83-Block-10, New College Road,  
Dera Ghazi Khan.  
Phones : (92-064) 2468471-73  
Fax : (92-064) 2468474

### DINGA (DISTT. GUJRAT)

Opp. Civil Hospital.  
Phone : (92-053) 7401737  
Fax : (92-053) 7402785

### QUETTA

Mannan Chowk, M.A. Jinnah Road.  
Phones : (92-81) 844125 & 111-786-110  
Fax : (92-81) 842335

### NAWABSHAH

Masjid Road.  
Phones : (92-244) 362738 & 362854  
Fax : (92-244) 362737

### HYDERABAD

Qasre Fatima, 90/1-2 Saddar Bazar,  
Cantonment Area.  
Phones : (92-221) 785541 & 785809  
Fax : (92-221) 781955

### QASIMABAD BRANCH

Suhrio House, Ground Floor, Main  
Shahrah-e-Qasimabad, Hyderabad, Sindh.  
Phones : (92-221) 655551-4  
Fax : (92-221) 655557

### SUKKUR

B-2555, Shaheed Gunj.  
Phones : (92-71) 22287 & 23713  
Fax : (92-71) 25749

### DAHARKI

Daharki Distt. Ghotki  
Phone : (92-0703) 43821, 43822  
Fax : (92-0703) 25749

### ISLAMIC BANKING

20-A/1, Block-6, Shahrah-e-Faisal, P.E.C.H.S.,  
Phones : (92-21) 4392411-13  
Fax : (92-21) 4392443

### GUJRANWALA BRANCH

Opp: Iqbal High School, G.T. Road,  
Gujranwala.  
Phones : (055) 3846220, 3847220, 3857220  
Fax : (055) 3734100

### Principal Office

Mackinnons Building, I. I. Chundrigar Road, Karachi. Phones: (92-21) 2412421, 2412986 & 111-786-110  
Fax: (92-21) 2419752 Telex: 21285 ALHAB PK

SWIFT CODE : BAHLPKKA

website : [www.bankalhabib.com](http://www.bankalhabib.com)