

# Directors' Report

The Board of Directors of ABL Asset Management Company Limited (a wholly owned subsidiary of Allied Bank Limited-ABL) is pleased to present the company's first audited Financial Statements for the period from October 12, 2007 to December 31, 2007.

The formation of ABL Asset Management Company Limited by ABL to undertake asset management and investment advisory services was a strategic decision to devote concentrated resources for fruition of the fund management expertise in an institutionalized manner with a pursuit of professional excellence for consolidating its endeavors.

ABL Asset Management Company Limited was incorporated under Companies Ordinance 1984 (XLVII of 1984) as an un-listed public company on October 12, 2007, with a paid-up capital of Rs. 500 million. The company was issued license to undertake "Asset Management Services" on December 07, 2007 under the recently introduced NBFC and Notified Entities Regulation, 2007, under which it can manage both closed and open ended funds.

In the capacity of holding company ABL holds 49,999,993 shares of ABL AMCL whereas 7 shares are held by director in the proportion of one share each.

Keeping in view the nature of the business, the management of ABL AMCL initially focused on hiring quality people, implementing best practices and systems, and establishing the desired infrastructure. In this respect, senior level management has been hired in the field of Research, Accounts, Information Technology, Operations, Administration and Human Resource.

The Company, thus, now comprises of dedicated professionals who have excelled in their respective careers and offers a unique mix of experience and vigor review so that a collective and focused effort can be made towards ameliorating shareholders value.

During the period from October 12, 2007 to December 31, 2007 total income of the company stood at Rs. 6.59 million whereas expenditure during the period under review amounted to Rs. 3.638 million which was mainly related to the incorporation of the company.

Profit before tax stood at Rs. 2.953 million whereas tax provision amounted to Rs. 1.034 million and therefore profit after tax amounted to Rs. 1.919 million translating into earning per share of Rs. 0.04

The summary of the financial results for the period from October 12, 2007 to December 31, 2007.

Rupees in '000	December 31, 2007
<b>INCOME</b>	
Income from Bank Deposits	6,590
<b>OPERATING EXPENSES</b>	
Administrative Expense	3,638
Profit before taxation	2,953
Taxation	1,034
Profit for the period	1,919
Appropriation of Profit	-
Un-appropriated profit	1,919
Earnings per share – Basic and Diluted (Rupees)	0.04

With the passion to excel and the backing of Allied Bank Limited, ABL AMCL is poised to Insha-Allah capitalize on the nascent fund management sector in Pakistan and to be one of the leading asset management company of Pakistan.

ABL AMCL's is Insha-Allah targeting launch of at least one open end income fund by 2Q08, and an open end equity fund by 3Q08 subject to regulatory approvals.

Despite recent political and economic uncertainties, we feel that the mutual fund industry is poised to further grow as the country still has one of the lowest penetration rates for mutual funds in the emerging markets.

ABL AMCL would Insha-Allah continue to emphasize on maximizing its sponsors value and are adamant for seizing all emerging opportunities.

We would like to express our gratitude to our valued sponsors (ABL), Securities and Exchange Commission of Pakistan, State Bank of Pakistan and the auditors for the consistent guidance and assistance.

The Board also wished to place on record its deep appreciation for the staff for their unswerving commitment and hard work.

Karachi  
February 22, 2008

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