

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the Half Year ended June 30, 2008

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 757 (December 31, 2007: 757) branches in Pakistan. 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 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 and the provisions of and regulations/directives issued under the Banking Companies Ordinance, 1962 and the Companies Ordinance, 1984. In case requirements differ, the provisions of and regulations/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. Further, the SECP vide SRO 411(I)/2008 dated April 28, 2008 had deferred the applicability of International Financial Reporting Standard (IFRS -7) Financial Instruments; Disclosures 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 the State Bank of Pakistan through various circulars.

2.3 These unconsolidated condensed financial statements are un-audited but subject to limited scope review by the auditors and are being submitted to the shareholders in accordance with section 245 of the Companies Ordinance, 1984.

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 financial statements of the Bank for the year ended December 31, 2007.

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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 financial statements of the Bank.

| | Note | Un-audited June 30, 2008 | Audited December 31, 2007 |
|--|------|--------------------------------|---------------------------------|
| Rupees in '000' | | | |
| 5. LENDINGS TO FINANCIAL INSTITUTIONS | | | |
| Call money lendings | 5.1 | 2,600,000 | 1,500,000 |
| Letters of placement | 5.2 | 2,542,000 | 1,850,000 |
| Repurchase agreement lendings (Reverse Repo) | 5.3 | 23,119,666 | 12,924,241 |
| Certificates of investment | 5.4 | 400,000 | 2,145,000 |
| | | <u>28,661,666</u> | <u>18,419,241</u> |

- 5.1 These are unsecured lendings to Financial Institutions, carrying mark-up at rates, ranging between 13.00% and 20.00% (December 31, 2007: 10.00% and 12.00%) per annum and maturing on various dates, latest by December 26, 2008.

- 5.2 These are clean placements with Non-Banking Finance Companies, carrying mark-up at rates, ranging between 14.00% and 20.00% (December 31, 2007: 9.75% and 10.30%) per annum and maturing on various dates, latest by July 11, 2008.

- 5.3 These are short-term lendings to various financial institutions against government securities. These carry mark-up at rates, ranging between 9.00% and 11.75% (December 31, 2007: 9.10% and 9.40%) per annum and maturing on various dates, latest by August 08, 2008.

- 5.4 The certificate of investment carries mark-up at the rate of 18.00% (December 31, 2007: ranged between 9.80% and 10.25%) per annum and will mature on July 25, 2008.

6. INVESTMENTS

| | Note | Held by Bank | Given as collateral | Total |
|--|------|-------------------|------------------------|-------------------|
| Rupees in '000' | | | | |
| Current period – June 30, 2008 (Un-audited) | 6.1 | <u>80,385,260</u> | <u>792,564</u> | <u>81,177,824</u> |
| Prior year corresponding period – December 31, 2007 (Audited) | 6.1 | <u>71,432,066</u> | <u>12,526,397</u> | <u>83,958,463</u> |

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| | Un-audited As at June 30, 2008 | | | Audited As at December 31, 2007 | | |
|---|-----------------------------------|------------------------|-------------------|------------------------------------|------------------------|-------------------|
| | Held by Bank | Given as collateral | Total | Held by Bank | Given as collateral | Total |
| | Rupees in '000' | | | | | |
| 6.1 Investments by types | | | | | | |
| Held-for-trading securities | | | | | | |
| Ordinary Shares of listed companies | 198,558 | - | 198,558 | 33,860 | - | 33,860 |
| Available-for-sale securities | | | | | | |
| Market Treasury Bills | 22,736,531 | 799,205 | 23,535,736 | 24,936,479 | 12,543,383 | 37,479,862 |
| Pakistan Investment Bonds | 445,089 | - | 445,089 | 444,758 | - | 444,758 |
| Ordinary shares / certificates of listed companies | 5,673,435 | - | 5,673,435 | 1,601,605 | - | 1,601,605 |
| Preference shares of listed companies | 275,000 | - | 275,000 | 275,000 | - | 275,000 |
| Investment in open-end mutual funds | 17,756,845 | - | 17,756,845 | 19,606,845 | - | 19,606,845 |
| Ordinary shares of unlisted companies | 229,823 | - | 229,823 | 82,099 | - | 82,099 |
| Ordinary shares of unlisted companies - (related parties) | 474,962 | - | 474,962 | 451,219 | - | 451,219 |
| Pre IPO investments | 35,000 | - | 35,000 | 2,514,900 | - | 2,514,900 |
| Privately placed investments | 250,000 | - | 250,000 | 1,890,918 | - | 1,890,918 |
| Sukuk Bonds | 2,570,000 | - | 2,570,000 | 2,420,000 | - | 2,420,000 |
| Term Finance Certificates (TFCs) | 7,635,646 | - | 7,635,646 | 736,636 | - | 736,636 |
| | 58,082,331 | 799,205 | 58,881,536 | 54,960,459 | 12,543,383 | 67,503,842 |
| Held-to-maturity securities | | | | | | |
| Pakistan Investment Bonds | 10,491,669 | - | 10,491,669 | 11,108,762 | - | 11,108,762 |
| Foreign Currency Bonds (US\$) | 176,937 | - | 176,937 | 160,010 | - | 160,010 |
| TFCs, Debentures, Bonds, and PTCs | 10,788,957 | - | 10,788,957 | 4,903,356 | - | 4,903,356 |
| | 21,457,563 | - | 21,457,563 | 16,172,128 | - | 16,172,128 |
| Subsidiary | | | | | | |
| ABL Asset Management Company Limited | 500,000 | - | 500,000 | 500,000 | - | 500,000 |
| | 80,238,452 | 799,205 | 81,037,657 | 71,666,447 | 12,543,383 | 84,209,830 |
| Provision for diminution in value of investments | (174,481) | - | (174,481) | (192,290) | - | (192,290) |
| Unrealised loss on revaluation of Held-for-trading securities | (7,460) | - | (7,460) | (1,463) | - | (1,463) |
| Surplus/(deficit) on revaluation of Available-for-sale securities | 328,749 | (6,641) | 322,108 | (40,628) | (16,986) | (57,614) |
| Investments (net of provision) | 80,385,260 | 792,564 | 81,177,824 | 71,432,066 | 12,526,397 | 83,958,463 |

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| Note | Un-audited June 30, 2008 | Audited December 31, 2007 |
|---|--------------------------------|---------------------------------|
| Rupees in '000' | | |
| 7. ADVANCES | | |
| Loans, cash credits, running finances, etc. - in Pakistan | 171,661,249 | 170,743,654 |
| Net investment in finance lease - in Pakistan | 796,319 | 741,148 |
| Bills discounted and purchased (excluding government treasury bills) | | |
| - Payable in Pakistan | 2,067,509 | 1,455,922 |
| - Payable outside Pakistan | 3,736,788 | 3,256,536 |
| | 5,804,297 | 4,712,458 |
| | 178,261,865 | 176,197,260 |
| Financing in respect of Continuous Funding System (CFS) | 266,131 | 2,327,097 |
| Advances - gross | 178,527,996 | 178,524,357 |
| Provision for non-performing advances / others 7.1 | (10,076,035) | (10,103,954) |
| General provision for consumer financing | (11,607) | (13,123) |
| Advances - net of provision | 168,440,354 | 168,407,280 |

7.1 This represents provision against non-performing advances amounting to Rs. 9,930,762 thousand (December 31, 2007: Rs. 9,958,681 thousand) and a provision of Rs. 145,273 thousand (December 31, 2007: 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. 11,040,319 thousand (December 31, 2007: Rs. 11,354,923 thousand) which have been placed under the non-performing status as detailed below:

| Category of Classification | Un-audited June 30, 2008 | | | Provision required | Provision held |
|-------------------------------|-----------------------------|-----------|------------|-----------------------|-------------------|
| | Classified Advances | | | | |
| | Domestic | Overseas* | Total | | |
| Rupees in '000' | | | | | |
| Other Assets Especially | | | | | |
| Mentioned | 34,139 | - | 34,139 | - | - |
| Substandard | 752,162 | - | 752,162 | 186,814 | 186,814 |
| Doubtful | 773,118 | - | 773,118 | 386,559 | 386,559 |
| Loss | 9,480,900 | - | 9,480,900 | 9,357,389 | 9,357,389 |
| | 11,040,319 | - | 11,040,319 | 9,930,762 | 9,930,762 |
| Audited December 31, 2007 | | | | | |
| Category of Classification | Classified Advances | | | Provision required | Provision held |
| | Domestic | Overseas* | Total | | |
| | Rupees in '000' | | | | |
| Other Assets Especially | | | | | |
| Mentioned | 32,765 | - | 32,765 | - | - |
| Substandard | 1,311,832 | - | 1,311,832 | 327,091 | 327,091 |
| Doubtful | 532,967 | - | 532,967 | 265,960 | 265,960 |
| Loss | 9,477,359 | - | 9,477,359 | 9,365,630 | 9,365,630 |
| | 11,354,923 | - | 11,354,923 | 9,958,681 | 9,958,681 |

* The Bank does not have any overseas branch.

8. OPERATING FIXED ASSETS

During the current period, additions to and disposals from operating fixed assets amounted to Rs. 1,336,351 thousand (June 30, 2007: Rs. 739,084 thousand) and Rs. 194,221 thousand (June 30, 2007: Rs. 52,723 thousand) respectively.

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| Note | Un-audited June 30, 2008 | Audited December 31, 2007 |
|---------------------------------------|--------------------------------|---------------------------------|
| | Rupees in '000' | |
| 9. DEPOSITS AND OTHER ACCOUNTS | | |
| Customers | | |
| Fixed deposits | 82,512,738 | 72,912,363 |
| Savings deposits | 80,423,750 | 71,255,336 |
| Current accounts - Remunerative | 47,813,058 | 42,351,315 |
| - Non-remunerative | 80,673,898 | 67,742,105 |
| | 291,423,444 | 254,261,119 |
| Financial Institutions | | |
| Remunerative deposits | 2,558,559 | 9,711,263 |
| | 293,982,003 | 263,972,382 |

10. SUB-ORDINATED LOANS

The Bank is in the process to issue second TFC amounting to Rs. 4 billion out of which, Rs. 3 billion will be raised through Pre IPO and Rs. 1 billion will be offered for subscription through IPO. As of June 30, 2008 Rs. 2.372 billion has been received as Pre IPO proceeds and are included in deposits and other accounts.

| Note | Un-audited June 30, 2008 | Audited December 31, 2007 |
|--------------------------------|--------------------------------|-----------------------------------|
| | Rupees in '000' | |
| 11. SHARE CAPITAL | | |
| 11.1 Authorised capital | | |
| Un-audited | Audited | |
| June 30, | December 31, | |
| 2008 | 2007 | |
| No. of shares | | |
| 1,000,000,000 | 1,000,000,000 | Ordinary shares of Rs. 10 each |
| | | 10,000,000 |
| | | 10,000,000 |

11.2 Issued, subscribed and paid-up capital

Fully paid-up Ordinary shares of Rs. 10 each

| Un-audited June 30, 2008 | Audited December 31, 2007 | Ordinary Shares | Un-audited June 30, 2008 | Audited December 31, 2007 |
|--------------------------------|---------------------------------|--|--------------------------------|---------------------------------|
| No. of shares | | | | |
| 406,780,094 | 406,780,094 | Fully paid in cash | 4,067,801 | 4,067,801 |
| 222,035,681 | 114,308,294 | Issued as bonus shares | 2,220,357 | 1,143,083 |
| 628,815,775 | 521,088,388 | | 6,288,158 | 5,210,884 |
| 9,148,550 | 9,148,550 | 18,348,550 Ordinary Shares of Rs.10 each determined pursuant to the Scheme of Amalgamation of Ibrahim Leasing Limited (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 |
| 646,364,325 | 538,636,938 | | 6,463,644 | 5,386,370 |

Ibrahim Fibres Limited and Ibrahim Agencies (Private) Limited, related parties of the Bank, held 204,455,088 (31.63%) and 59,968,382 (9.28%) [December 31, 2007: 170,379,240 (31.63%) and 47,473,652 (8.81%)] Ordinary shares of Rs.10 each, respectively, as at June 30, 2008.

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| | Un-audited June 30, 2008 | Audited December 31, 2007 |
|---|--------------------------------|---------------------------------|
| | Rupees in '000' | |
| 12. CONTINGENCIES AND COMMITMENTS | | |
| 12.1 Direct credit substitutes | | |
| Guarantees in favour of: | | |
| Banks and financial institutions | 1,052,159 | 1,971,776 |
| 12.2 Transaction-related contingent liabilities | | |
| Guarantees in favour of: | | |
| Government | 4,864,629 | 4,040,048 |
| Others | 8,143,599 | 6,235,919 |
| | 13,008,228 | 10,275,967 |
| 12.3 Trade-related contingent liabilities | 78,732,665 | 83,037,690 |
| 12.4 Claims against the Bank not acknowledged as debt | 4,008,765 | 3,058,291 |
| 12.5 Commitments to extend credit | | |
| 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. | | |
| | Un-audited June 30, 2008 | Audited December 31, 2007 |
| | Rupees in '000' | |
| 12.6 Commitments in respect of forward foreign exchange contracts | | |
| Purchase | 18,113,703 | 10,998,573 |
| Sale | 11,498,576 | 4,763,749 |
| 12.7 Commitments in respect of: | | |
| Civil works | 619,835 | 752,139 |
| Acquisition of operating fixed assets | 164,389 | 168,654 |
| 12.8 Commitments in respect of lease financing | 89,370 | 188,174 |
| 12.9 Commitments in respect of: | | |
| Forward lending | - | 1,000,000 |
| Forward borrowing | - | - |
| | - | 1,000,000 |
| 12.10 Commitments in respect of lending against CFS | - | 733 |
| 12.11 Commitments in respect of purchase of shares | 738,533 | 865,000 |

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12.12 Contingencies

12.12.1 There is no change in the status of contingencies, set out in note 21.12 to the financial statements of the Bank for the year ended December 31, 2007, 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 2006 for local operations and Azad Kashmir Operations. Further, income tax returns for the tax year 2007 have also been filed for local and Azad Kashmir operation.

- 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. 278 million. As a result of appeals filed by the Bank before the Appellate Authorities, these add-backs were deleted and set-aside with a tax impact of Rs. 125 million. The appeal effect orders with regard to the above matters are pending.
- b) The assessments from Assessment Year 2001-2002 to Tax Year 2005 have been finalized with net additional tax liability of Rs. 3,760 million. As a result of the appeals filed by the Bank before the Appellate Authorities, various additions having tax impact of Rs. 3,918 million and Rs. 2,398 million have been deleted and set-aside by Appellate Authorities, respectively. With respect to tax year 2005, the Bank has filed appeal against the Order of Commissioner of Income Tax (Appeals) and for rest of the above years the appeal effect orders are pending.
- c) The assessment for Tax Year 2006 has been finalized with net additional tax liability of Rs. 671 million. As a result of the appeals filed by the Bank before the Appellate Authority, various additions having tax impact of Rs. 184 million have been deleted for which appeal effect order is pending.

Pending the finalization of the above-referred matters, no provision has been made by the Bank in an aggregate sum of Rs. 4,709 million in these financial statements. This sum includes tax liability, aggregating to Rs. 4,102 million, already deleted by the Appellate Authorities. Against most of the deleted and set-aside issues Income Tax Department is in appeal before higher appellate authorities. The management is hopeful that the outcome of these appeals will be in favor of the Bank.

13. OTHER CHARGES

These include an amount of Rs. 78.051 million in respect of accrual for contribution to Workers Welfare Fund as per the amendment made vide Finance Act, 2008 in Workers Welfare Fund Ordinance, 1971.

14. EARNINGS PER SHARE - BASIC AND DILUTED

| Note | Half Year Ended June 30, 2008 | Half Year Ended June 30, 2007 | Quarter Ended June 30, 2008 | Quarter Ended June 30, 2007 |
|--|--|--|--------------------------------------|--------------------------------------|
| Rupees in '000' | | | | |
| Profit after taxation for the period attributable to ordinary shareholders | 2,508,179 | 2,751,510 | 1,150,952 | 1,400,663 |
| Number of shares | | | | |
| Weighted average number of Ordinary Shares outstanding during the period | 646,364,325 | 646,364,325 | 646,364,325 | 646,364,325 |
| Rupees | | | | |
| Earnings per share - basic and diluted | 3.88 | 4.26 | 1.78 | 2.17 |

There is no dilution effect on basic earnings per share.

14.1 The comparative figure of weighted average number of shares outstanding has been restated to include the effect of bonus shares issued by the Bank during the period.

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15. RELATED PARTY TRANSACTIONS

The Bank has related party relationships with its subsidiary, companies with common directorship having equity under 20%, 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). 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 | June 30, 2008 | | | | | December 31, 2007 | | | | |
|--|---------------|--|--------------|--------------------------|-----------------------|-------------------|--|--------------|--------------------------|-----------------------|
| | Directors | Companies with common directorship having equity under 20% | Subsidiaries | Key management personnel | Other related parties | Directors | Companies with common directorship having equity under 20% | Subsidiaries | Key management personnel | Other related parties |
| Rupees in '000' | | | | | | | | | | |
| Loans | | | | | | | | | | |
| Loans at the beginning of the period/year | 1,283 | - | - | 82,148 | 491,400 | 386 | - | - | 43,490 | - |
| Loans given during the period/year | 2,601 | - | - | 106,743 | 1,128,522 | 7,186 | - | - | 49,096 | 491,400 |
| Loans repaid during the period/year | (3,188) | - | - | (11,757) | - | (6,289) | - | - | (10,438) | - |
| Loans at the end of the period/year | 696 | - | - | 177,134 | 1,619,922 | 1,283 | - | - | 82,148 | 491,400 |
| Deposits | | | | | | | | | | |
| Deposits at the beginning of the period/year | 3,763 | 87,452 | 502,788 | 19,949 | - | 1,701 | 58,082 | - | 9,479 | - |
| Deposits received during the period/year | 277,584 | 383,701 | 3,013,977 | 421,288 | - | 4,978,161 | 1,163,102 | 1,004,609 | 142,960 | - |
| Deposits repaid during the period/year | (276,961) | (408,522) | (3,489,771) | (131,209) | - | (4,976,099) | (1,133,732) | (501,821) | (126,510) | - |
| Deposits at the end of the period/year | 4,366 | 12,631 | 16,994 | 10,032 | - | 3,763 | 87,452 | 502,788 | 19,949 | - |
| Nostro balances | - | 178,772 | - | - | - | - | 86,820 | - | - | - |
| Placements | - | 409,350 | - | - | - | - | - | - | - | - |
| Investments in shares | - | 235,969 | 500,000 | - | 238,993 | - | 235,969 | 500,000 | - | 112,527 |
| Other receivables | - | 37 | - | - | 50,607 | - | - | 5,740 | - | - |
| Other payables | - | - | - | 1,321 | - | - | - | - | - | - |
| Net receivable from staff retirement benefit funds | - | - | - | - | 1,409,002 | - | - | - | - | 1,153,044 |
| Staff retirement fund deposits | - | - | - | - | 3,719,569 | - | - | - | - | 1,863,389 |
| Rupees in '000' | | | | | | | | | | |
| | | | | | | | | | | |
| Mark-up earned | - | 327 | - | 3,575 | 79,120 | - | - | - | 1,499 | - |
| Mark-up expensed | 12 | 231 | 9,901 | 101 | 151,628 | 77 | 16 | 6,665 | 62 | 115,177 |
| Bank charges levied | - | - | 1 | 3 | - | - | - | - | 1 | - |
| Change / (reversal) in respect of staff retirement benefit funds | - | - | - | - | (67,495) | - | - | - | - | 15,451 |

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16. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

| For the Half Year Ended June 30, 2008 | | | | | |
|---------------------------------------|----------------------|--------------------|-------------------|-----------------------|-------------------------|
| | Corporate Finance | Trading & Sales | Retail Banking | Commercial Banking | Payment & Settlement |
| Rupees in '000' | | | | | |
| Total Income | 245,477 | 986,352 | 7,128,763 | 11,444,395 | 56,216 |
| Total Expenses | (127,730) | (881,775) | (5,962,265) | (10,349,395) | (31,859) |
| Net Income | <u>117,747</u> | <u>104,577</u> | <u>1,166,498</u> | <u>1,095,000</u> | <u>24,357</u> |
| For the Half Year Ended June 30, 2007 | | | | | |
| | Corporate Finance | Trading & Sales | Retail Banking | Commercial Banking | Payment & Settlement |
| Rupees in '000' | | | | | |
| Total Income | 176,378 | 987,101 | 4,296,560 | 9,174,835 | 113,540 |
| Total Expenses | (84,384) | (874,539) | (3,170,197) | (7,808,610) | (59,174) |
| Net Income | <u>91,994</u> | <u>112,562</u> | <u>1,126,363</u> | <u>1,366,225</u> | <u>54,366</u> |

17. GENERAL

17.1 The Board of Directors of the Bank in its meeting held on August 20, 2008 has approved interim cash dividend for the half year ended June 30, 2008 at Rs. 1.5 per share (June 30, 2007: cash dividend of Rs. 1.5 per share) resulting in total distribution of Rs. 969.546 million. The unconsolidated condensed interim financial statements for the half year ended June 30, 2008 do not include the effect of this appropriation and will be accounted for in the financial statements of the period of declaration.

17.2 Figures have been rounded off to the nearest thousand rupees.

18. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on August 20, 2008 by the Board of Directors of the Bank.

Chief Financial Officer

President and Chief Executive

Director

Director

Director