We have audited the annexed consolidated financial statements comprising the consolidated balance sheet of Habib Bank Limited as at December 31, 2007 and the related Consolidated Profit and Loss Account, Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity together with the notes forming part thereof, for the year then ended. These financial statements include unaudited certified returns from the branches, except for 82 branches, which have been audited by us and 35 branches audited by auditors abroad. The financial statements of subsidiary companies HBL Stock Fund and Habib Bank Financial Services (Private) Limited were reviewed in accordance with the International Standard on Review Engagements 2410 by another firm of chartered accountants, whose report has been furnished to us and our opinion insofar as it relates to the amounts included for these subsidiaries, is based solely on the report of other auditors.

These financial statements are responsibility of the Bank’s management. Our responsibility is to express our opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the consolidated financial statements present fairly the financial position of Habib Bank Limited as at December 31, 2007 and the results of its operations, its cash flows and changes in equity for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Date: February 14, 2008
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants