



# HABIB METROPOLITAN BANK LTD.

[ Subsidiary of Habib Bank AG Zurich ]

Consolidated Accounts for the first quarter  
ended 31 March 2019  
(Un-audited)

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Note	31 March 2019 (Un-Audited)	31 December 2018 (Audited)
Rupees in '000			
<b>ASSETS</b>			
Cash and balances with treasury banks	6	50,372,133	48,177,307
Balances with other banks	7	3,067,688	1,916,548
Lendings to financial institutions	8	48,037,665	11,984,795
Investments	9	328,901,270	341,284,168
Advances	10	246,469,809	236,112,844
Fixed assets	11	4,254,353	3,947,862
Intangible assets	12	131,991	163,645
Deferred tax assets	13	5,537,565	5,821,468
Other assets	14	29,894,206	29,430,741
		<b>716,666,680</b>	<b>678,839,378</b>
<b>LIABILITIES</b>			
Bills payable	15	10,810,887	12,173,407
Borrowings	16	71,679,028	53,008,774
Deposits and other accounts	17	558,263,794	542,839,457
Liabilities against assets subject to finance lease		—	—
Sub-ordinated debts		—	—
Deferred tax liabilities		—	—
Other liabilities	18	35,382,331	30,365,390
		<b>676,136,040</b>	<b>638,387,028</b>
<b>NET ASSETS</b>			
		<b>40,530,640</b>	<b>40,452,350</b>
<b>REPRESENTED BY</b>			
Share capital		10,478,315	10,478,315
Reserves		16,673,147	16,371,428
(Deficit) / surplus on revaluation of assets - net of tax	19	(5,022,697)	(5,562,129)
Unappropriated profit		15,092,965	15,950,329
		<b>37,221,730</b>	<b>37,237,943</b>
Non-controlling interest		3,308,910	3,214,407
		<b>40,530,640</b>	<b>40,452,350</b>

### CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 38 form an integral part of these consolidated condensed interim financial statements.

**FUZAIL ABBAS**  
Chief Financial Officer

**MOHSIN A. NATHANI**  
President &  
Chief Executive Officer

**MOHOMED BASHIR**  
Director

**SOHAIL HASAN**  
Director

**MOHAMEDALI R. HABIB**  
Chairman

## CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2019

	Note	31 March 2019	31 March 2018
		Rupees in '000	
Mark-up / return / interest earned	22	<b>14,166,590</b>	9,927,296
Mark-up / return / interest expensed	23	<b>(9,537,396)</b>	(6,127,441)
Net mark-up / interest income		<b>4,629,194</b>	3,799,855
<b>Non mark-up / interest income</b>			
Fee and commission income	24	<b>1,193,446</b>	932,723
Dividend income		<b>24,507</b>	9,349
Foreign exchange income		<b>457,628</b>	270,977
Income / (loss) from derivatives		<b>—</b>	—
Gain / (loss) on securities	25	<b>10,578</b>	18,210
Other income	26	<b>111,647</b>	320,647
Total non mark-up / interest income		<b>1,797,806</b>	1,551,906
Total Income		<b>6,427,000</b>	5,351,761
<b>Non mark-up / interest expenses</b>			
Operating expenses	27	<b>3,150,644</b>	2,780,117
Workers welfare fund		<b>61,829</b>	49,460
Other charges	28	<b>714</b>	158
Total non-mark-up / interest expenses		<b>(3,213,187)</b>	(2,829,735)
Profit before provisions		<b>3,213,813</b>	2,522,026
(Provisions) / reversal and write offs - net	29	<b>(133,628)</b>	(97,421)
Extra ordinary / unusual items		<b>—</b>	—
<b>Profit before taxation</b>		<b>3,080,185</b>	2,424,605
Taxation	30	<b>(1,476,675)</b>	(786,910)
<b>Profit after taxation</b>		<b>1,603,510</b>	1,637,695
<b>Profit attributable to:</b>			
Equity shareholders of the holding company		<b>1,520,432</b>	1,576,170
Non-controlling interest		<b>83,078</b>	61,525
		<b>1,603,510</b>	1,637,695
		Rupees in '000	
<b>Basic and diluted earnings per share</b>	31	<b>1.45</b>	1.50

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Chairman

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2019

	31 March 2019	31 March 2018
	Rupees in '000	
Profit after taxation	1,603,510	1,637,695
<b>Other comprehensive income</b>		
<b>Items that may be reclassified to profit and loss in subsequent periods:</b>		
Movement in (deficit) / surplus on revaluation of investments - net of tax	551,565	(1,224,017)
<b>Items that will not be reclassified to profit and loss in subsequent periods:</b>		
Remeasurement (loss) / gain on defined benefit obligations - net of tax	18,878	11,346
Movement in surplus on revaluation of non-banking assets - net of tax	708	708
	19,586	12,054
<b>Total comprehensive income</b>	<b>2,174,661</b>	<b>425,732</b>
Equity share holders of the holding company	2,080,158	388,775
Non-controlling interest	94,503	36,957
	<b>2,174,661</b>	<b>425,732</b>

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# **CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**

FOR THE QUARTER ENDED 31 MARCH 2019

	Reserves					Surplus / (deficit) on revaluation					
	Share capital	Share premium	Statutory reserve	Special reserve	Revenue reserve	Investments	Non-banking assets	Un-appropriated profit	Sub-Total	Non-controlling interest	Total
	Rupees in '000										
<b>Balance as at 1 January 2018</b>	10,478,315	2,550,985	10,832,685	240,361	1,500,000	778,330	182,331	14,159,430	40,722,437	3,140,212	43,862,649
Profit after taxation	-	-	-	-	-	-	-	1,576,170	1,576,170	61,525	1,637,695
Other comprehensive income - net of tax	-	-	-	-	-	(1,199,449)	-	11,346	(1,188,103)	(24,568)	(1,212,671)
Transfer to statutory reserve	-	-	315,234	-	-	-	-	(315,234)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(708)	708	-	-	-
<b>Transactions with owners, recorded directly in equity</b>											
Cash dividend (Rs. 3.00 per share) for the year ended 31 December 2017	-	-	-	-	-	-	-	(3,143,494)	(3,143,494)	-	(3,143,494)
<b>Balance as at 31 March 2018</b>	10,478,315	2,550,985	11,147,919	240,361	1,500,000	(421,119)	181,623	12,288,926	37,967,010	3,177,169	41,144,179
Profit after taxation	-	-	-	-	-	-	-	4,603,607	4,603,607	179,603	4,783,210
Other comprehensive income - net of tax	-	-	-	-	-	(5,320,471)	-	(12,203)	(5,332,674)	85,335	(5,247,339)
Transfer to statutory reserve	-	-	932,163	-	-	-	-	(932,163)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(2,162)	2,162	-	-	-
<b>Transactions with owners, recorded directly in equity</b>											
Profit distribution by First Habib Modaraba (Rs. 1.25 per certificate) for the period ended 30 June 2018	-	-	-	-	-	-	-	-	-	(226,800)	(226,800)
Profit distribution by Habib Metropolitan Modaraba (Rs. 0.10 per certificate) for the period ended 30 June 2018	-	-	-	-	-	-	-	-	-	(900)	(900)
<b>Balance as at 31 December 2018</b>	10,478,315	2,550,985	12,080,082	240,361	1,500,000	(5,741,590)	179,461	15,950,329	37,237,943	3,214,407	40,452,350
Profit after taxation	-	-	-	-	-	-	-	1,520,432	1,520,432	83,078	1,603,510
Other comprehensive income - net of tax	-	-	-	-	-	540,140	-	18,878	559,018	11,425	570,443
Transfer to statutory reserve	-	-	301,719	-	-	-	-	(301,719)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(708)	708	-	-	-
<b>Transactions with owners, recorded directly in equity</b>											
Cash dividend (Rs. 2.00 per share) for the year ended 31 December 2018	-	-	-	-	-	-	-	(2,095,663)	(2,095,663)	-	(2,095,663)
<b>Balance as at 31 March 2019</b>	<u>10,478,315</u>	<u>2,550,985</u>	<u>12,381,801</u>	<u>240,361</u>	<u>1,500,000</u>	<u>(5,201,450)</u>	<u>178,753</u>	<u>15,092,965</u>	<u>37,221,730</u>	<u>3,308,910</u>	<u>40,530,640</u>

The annexed notes 1 to 38 form an integral part of these consolidated condensed interim financial statements.

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Director

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Director

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Chairman

## CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2019

	Note	31 March 2019	31 March 2018
Rupees in '000			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		3,080,185	2,424,605
Less: Dividend income		(24,507)	(9,349)
		<b>3,055,678</b>	<b>2,415,256</b>
<b>Adjustments</b>			
Depreciation on fixed assets		225,824	196,653
Depreciation on non-banking assets		2,773	3,573
Amortization		32,836	30,823
Provisions and write offs excluding recovery of written off bad debts			
Net gain on sale of fixed assets	29	135,295	143,572
Net (gain) / loss on sale of non-banking assets	26	(3,616)	(339)
Net (gain) / loss on sale of non-current assets held for sale	26	—	(202,282)
Provision against workers welfare fund		61,829	(35,042)
Provision against compensated absences		14,150	49,460
Provision against defined benefit plan		42,486	10,571
		<b>511,577</b>	<b>37,732</b>
		<b>3,567,255</b>	<b>2,347,211</b>
<b>(Increase) / decrease in operating assets</b>			
Lendings to financial institutions		(36,052,870)	(9,781,237)
Advances		(10,486,795)	(11,234,630)
Other assets (excluding current taxation and dividend)		849,563	485,252
		<b>(45,690,102)</b>	<b>(20,530,615)</b>
<b>Increase / (decrease) in operating liabilities</b>			
Bills payable		(1,362,520)	(6,380,766)
Borrowings from financial institutions		18,898,139	(21,076,216)
Deposits and other accounts		15,424,337	(4,679,742)
Other liabilities (excluding current taxation and dividend)		907,192	119,294
		<b>33,867,148</b>	<b>(32,017,430)</b>
		<b>(8,255,699)</b>	<b>(49,898,068)</b>
Payment against compensated absences		(6,375)	(5,471)
Income tax paid		(863,636)	(564,066)
		<b>(9,125,710)</b>	<b>(50,467,605)</b>
<b>Net cash flow used in operating activities</b>			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net investments in available-for-sale securities		13,221,780	47,475,017
Net investments in held-to-maturity securities		(5,066)	1,489,630
Dividend received		16,476	4,811
Investments in fixed assets		(533,273)	(197,273)
Investments in intangible assets		(1,211)	(3,606)
Proceeds from sale of fixed assets		4,603	4,846
Proceeds from sale of non-banking assets		—	600,000
Proceeds from sale of non-current assets held for sale		—	250,000
		<b>12,703,309</b>	<b>49,623,425</b>
<b>Net cash flow generated from investing activities</b>			
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(3,748)	(383)
		<b>(3,748)</b>	<b>(383)</b>
<b>Net cash used in financing activities</b>			
<b>Increase in cash and cash equivalents</b>		<b>3,573,851</b>	<b>(844,563)</b>
Cash and cash equivalents at beginning of the year		46,905,159	41,673,028
<b>Cash and cash equivalents at end of the year</b>		<b>50,479,010</b>	<b>40,828,465</b>

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## **NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**

FOR THE QUARTER ENDED 31 MARCH 2019

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

The Group comprises of Habib Metropolitan Bank Limited (the holding company), Habib Metropolitan Financial Services Limited and Habib Metropolitan Modaraba Management Company (Private) Limited (wholly owned subsidiary companies) and First Habib Modaraba and Habib Metro Modaraba (Managed by Habib Metropolitan Modaraba Management Company (Private) Limited).

#### **Holding Company**

Habib Metropolitan Bank Limited (the holding company) was incorporated in Pakistan on 3 August 1992, as a public limited company, under the Companies Ordinance, 1984 (now Companies Act, 2017) and is engaged in commercial banking and related services. Its shares are listed on the Pakistan Stock Exchange. The Bank operates 322 (31 December 2018: 322) branches, including 31 (31 December 2018: 31) Islamic banking branches and 30 (31 December 2018: 30) sub branches in Pakistan. The Bank is a subsidiary of Habib Bank AG Zurich - Switzerland (the holding company with 51% shares in the Bank) which is incorporated in Switzerland. The registered office of the holding company is situated at Spencer's Building, I.I. Chundrigar Road, Karachi.

#### **Subsidiary Companies**

##### **Habib Metropolitan Financial Services Limited - 100% holding**

Habib Metropolitan Financial Services Limited was incorporated in Pakistan on 28 September 2007 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the subsidiary company is located at 1st Floor, GPC 2, Block 5, Khekashan Clifton, Karachi. The subsidiary company is a corporate member of the Pakistan Stock Exchange Limited and engaged in equity brokerage services.

##### **Habib Metropolitan Modaraba Management Company (Private) Limited - 100% holding**

Habib Metropolitan Modaraba Management Company (Private) Limited (Modaraba management company) was incorporated in Pakistan on 01 June 2015 as a private limited under the Companies Ordinance, 1984 (now Companies Act, 2017) and Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The registered office of the subsidiary company is located at 6th Floor, HBZ Plaza, I.I. Chundrigar Road, Karachi.

##### **First Habib Modaraba - 10% holding**

First Habib Modaraba is a perpetual, multi-purpose modaraba having its registered office at 6th Floor, HBZ Plaza, I.I. Chundrigar Road, Karachi. It is listed on the Pakistan Stock Exchange and engaged in the business of leasing (Ijarah), Musharaka, Murabaha financing and other related business.

##### **Habib Metro Modaraba - 70% holding**

Habib Metro Modaraba (HMM) which is a perpetual, multi-purpose modaraba having its registered office at 6th Floor, HBZ Plaza, I.I. Chundrigar Road, Karachi. HMM's primary business activities are residual value car financing and provision of finance for solar power solutions on the basis of Ijarah / rental / musharaka or any other approved modes of financing. The holding company and the Modaraba Management Company own 60% and 10% of the certificates of HMM respectively.

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## 2. BASIS OF PRESENTATION

**2.1** These consolidated condensed interim financial statements comprise the financial statements of the holding company and its subsidiary companies. The financial statements of the subsidiary companies have been prepared for the same reporting period as the holding company using consistent accounting policies.

### **2.2 Statement of Compliance**

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan.

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of the IAS 34 or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The SBP vide BSD Circular No. 10, dated 26 August 2002 has deferred the applicability of International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement" and IAS 40 "Investment Property" for banking companies till further instructions. Further, according to a notification of the Securities and Exchange Commission of Pakistan (SECP) through S.R.O. No. 411 (1) / 2008 dated 28 April 2008, IFRS 7 "Financial Instruments: Disclosures" has not been made applicable for banks. 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 of various circulars issued by the SBP.

The Securities and Exchange Commission of Pakistan (SECP) has notified Islamic Financial Accounting Standard (IFAS) 3, 'Profit and Loss Sharing on Deposits' issued by the Institute of Chartered Accountants of Pakistan. IFAS 3 shall be followed with effect from the financial periods beginning on or after 1 January 2014 in respect of accounting for transactions relating to 'Profit and Loss Sharing on Deposits' as defined by the said standard. The standard has resulted in certain new disclosures in the financial statements of the Bank. The SBP through BPRD Circular Letter No. 4 dated 25 February 2015, has deferred the applicability of IFAS 3 till further instructions and prescribed the Banks to prepare their annual and periodical financial statements as per existing prescribed formats issued vide BPRD Circular 02 of 2018, as amended from time to time.

The disclosures made in these consolidated condensed interim financial statements have been based on a format prescribed by the SBP vide BPRD Circular Letter No. 5 dated 22 March 2019 and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2018.

### **3. SIGNIFICANT ACCOUNTING POLICY**

The significant accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the audited consolidated financial statements of the Group for the year ended 31 December 2018.

#### **3.1 Amendments to approved accounting standards that are effective in the current period**

IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The Group has not incorporated the impact of the above changes as the overall impact of the same is under review.

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after 1 January 2019 but are considered not to be relevant or do not have any significant effect on the Group's operations and therefore not detailed in these consolidated condensed interim financial statements.

#### **3.2 Standards, interpretations of and amendments to approved accounting standards that are not yet effective**

- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with IFRS Standards.

### **4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements are the same as that applied in the preparation of the audited consolidated financial statements for the year ended 31 December 2018.

### **5. FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2018.

	31 March 2019 (Un-Audited)	31 December 2018 (Audited)
	Rupees in '000	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>		
<b>In hand</b>		
Local currency	7,599,341	7,657,684
Foreign currencies	2,521,852	2,013,643
	<b>10,121,193</b>	9,671,327
<b>With State Bank of Pakistan in</b>		
Local currency current account	21,762,773	20,272,479
Foreign currency current account	116,709	244,068
Foreign currency deposit accounts		
- cash reserve account	4,385,316	4,151,971
- special cash reserve account	12,959,545	12,370,079
	<b>39,224,343</b>	37,038,597
<b>With National Bank of Pakistan in</b>		
Local currency current account	1,009,615	1,443,318
<b>National Prize Bonds</b>	16,982	24,065
	<b>50,372,133</b>	48,177,307
<b>7. BALANCES WITH OTHER BANKS</b>		
<b>In Pakistan</b>		
In current accounts	149,146	94,703
In deposit accounts	1,024,335	1,008,359
	<b>1,173,481</b>	1,103,062
<b>Outside Pakistan</b>		
In current accounts	1,894,207	813,486
	<b>3,067,688</b>	1,916,548
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Call money lendings	-	3,000,000
Repurchase agreement lendings (Reverse Repo)	30,483,447	4,184,795
Bai-muajjal receivable with the State Bank of Pakistan	12,654,218	-
Letter of placement	-	3,800,000
Musharaka placement	4,900,000	1,000,000
	<b>48,037,665</b>	11,984,795

## 9. INVESTMENTS

### 9.1 Investments by types

	31 March 2019 (Un-Audited)				31 December 2018 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Rupees in '000							
<b>Available-for-sale securities</b>								
Federal government securities	294,716,814	—	(8,145,751)	286,571,063	307,914,359	—	(8,965,828)	298,948,531
Shares	888,886	(279,686)	146,390	755,590	885,410	(273,810)	104,095	715,695
Non-government debt securities	5,004,023	(135,310)	11,027	4,879,740	5,031,734	(138,428)	16,532	4,909,838
Mutual funds	417,571	(8,460)	21,351	430,462	417,571	(5,753)	38,937	450,755
	301,027,294	(423,456)	(7,966,983)	292,636,855	314,249,074	(417,991)	(8,806,264)	305,024,819
<b>Held-to-maturity securities</b>								
Federal government securities	36,264,415	—	—	36,264,415	36,259,349	—	—	36,259,349
Non-government debt securities	—	—	—	—	—	—	—	—
	36,264,415	—	—	36,264,415	36,259,349	—	—	36,259,349
<b>Total Investments</b>	<b>337,291,709</b>	<b>(423,456)</b>	<b>(7,966,983)</b>	<b>328,901,270</b>	<b>350,508,423</b>	<b>(417,991)</b>	<b>(8,806,264)</b>	<b>341,284,168</b>

**31 March**                      31 December  
**2019**                              2018  
(Un-Audited)                      (Audited)  
————— Rupees in '000 —————

#### 9.1.1 Investments given as collateral

##### Federal government securities

Market treasury bills	16,019,872	3,443,636
Pakistan investment bonds	8,237,721	9,165,995
	<b>24,257,593</b>	<b>12,609,631</b>

### 9.2 Provision for diminution in value of investments

<b>9.2.1</b> Opening balance	417,991	537,372
Charge for the period / year	8,583	100,021
Reversal for the period / year	(3,118)	(14,442)
Net charge for the period / year	5,465	85,579
Reversal on disposal	—	(198,028)
Investment written off	—	(6,932)
Closing balance	<b>423,456</b>	<b>417,991</b>

## 9.2.2 Particulars of provision against debt securities

Category of classification	31 March 2019 (Un-Audited)		31 December 2018 (Audited)	
	Non-performing investments	Provision	Non-performing investments	Provision
	Rupees in '000			
<b>Domestic</b>				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	<b>135,310</b>	<b>135,310</b>	138,428	138,428
	<b>135,310</b>	<b>135,310</b>	138,428	138,428

**9.2.2.1** Exposure amounting to Rs. 42,795 thousand (31 December 2018: Rs. 59,913 thousand) relating to term finance certificates of Pakistan International Airlines Corporation Limited, which is government guaranteed script, has not been classified as non-performing investment as per relaxation given by the SBP.

**9.3** The market value of securities classified as held-to-maturity is Rs. 32,946,885 thousand (31 December 2018: 32,847,389 thousand).

## 10. ADVANCES

Note	Performing		Non-Performing		Total	
	31 March 2019 (Un-Audited)	31 December 2018 (Audited)	31 March 2019 (Un-Audited)	31 December 2018 (Audited)	31 March 2019 (Un-Audited)	31 December 2018 (Audited)
	Rupees in '000					
Loans, cash credits, running finances, etc.						
In Pakistan	<b>181,372,810</b>	172,288,376	<b>14,223,908</b>	14,710,168	<b>195,596,718</b>	186,998,544
Islamic financing and related assets	<b>27,710,442</b>	27,084,790	<b>442,259</b>	503,972	<b>28,152,701</b>	27,588,762
Bills discounted and purchased	<b>37,149,858</b>	35,620,461	<b>2,261,052</b>	2,465,767	<b>39,410,910</b>	38,086,228
Advances - gross	<b>246,233,110</b>	234,993,627	<b>16,927,219</b>	17,679,907	<b>263,160,329</b>	252,673,534
Provision against non-performing advances						
- specific	-	-	(14,835,756)	(15,324,500)	(14,835,756)	(15,324,500)
- general	(1,854,764)	(1,236,190)	-	-	(1,854,764)	(1,236,190)
	(1,854,764)	(1,236,190)	(14,835,756)	(15,324,500)	(16,690,520)	(16,560,690)
Advances - net of provisions	<b>244,378,346</b>	233,757,437	<b>2,091,463</b>	2,355,407	<b>246,469,809</b>	236,112,844

**10.1** It includes loans and advances of First Habib Modaraba and Habib Metro Modaraba amounting to Rs. 9,640,059 thousand and Rs. 155,212 thousand respectively. Furthermore, it includes the Islamic banking operations of the holding company amounting to Rs. 18,357,431 thousand as disclosed in note 36.3 to these consolidated condensed interim financial statements.



**10.2 Particulars of advances - gross**

	31 March 2019 (Un-Audited)	31 December 2018 (Audited)
	— Rupees in '000 —	
In local currency	227,522,131	222,526,407
In foreign currencies	35,638,198	30,147,127
	<u>263,160,329</u>	<u>252,673,534</u>

**10.3** Advances include Rs. 16,927,219 thousand (31 December 2018: Rs. 17,679,907 thousand) which have been placed under non-performing status as detailed below:

Category of classification	31 March 2019 (Un-Audited)		31 December 2018 (Audited)	
	Non-performing loans	Provision	Non-performing loans	Provision
	Rupees in '000			
Substandard	90,088	390	259,378	19,697
Doubtful	282,883	39,343	127,952	—
Loss	16,554,248	14,796,023	17,292,577	15,304,803
	<u>16,927,219</u>	<u>14,835,756</u>	<u>17,679,907</u>	<u>15,324,500</u>

**10.4 Particulars of provision against advances**

	31 March 2019 (Un-Audited)			31 December 2018 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	15,324,500	1,236,190	16,560,690	16,168,582	257,841	16,426,423
Charge	174,987	618,574	793,561	936,036	978,349	1,914,385
Reversals	(663,731)	—	(663,731)	(1,482,574)	—	(1,482,574)
Net charge / (reversal) for the period / year	(488,744)	618,574	129,830	(546,538)	978,349	431,811
Amount written off	—	—	—	(297,544)	—	(297,544)
Closing balance	<u>14,835,756</u>	<u>1,854,764</u>	<u>16,690,520</u>	<u>15,324,500</u>	<u>1,236,190</u>	<u>16,560,690</u>

**10.4.1** General provision includes provision of Rs. 4,692 thousand (31 December 2018: Rs. 5,134 thousand) made against consumer portfolio and Rs. 72 thousand (31 December 2018: Rs. 35 thousand) made against small enterprises (SEs) portfolio as required by the Prudential Regulation issued by the SBP.

**10.4.2 Particulars of provision against advances**

	31 March 2019 (Un-Audited)			31 December 2018 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
In local currency	14,450,918	1,854,764	16,305,682	14,952,295	1,236,190	16,188,485
In foreign currencies	384,838	—	384,838	372,205	—	372,205
	<u>14,835,756</u>	<u>1,854,764</u>	<u>16,690,520</u>	<u>15,324,500</u>	<u>1,236,190</u>	<u>16,560,690</u>

#### 10.4.3 Consideration of forced sales value (FSV) for the purposes of provisioning against non-performing loans

During the current period, the holding company availed additional forced sale value (FSV) benefit under BSD Circular No. 1 of 21 October 2011. This has resulted in reduction of provision against non-performing loans and advances by Rs. 39,573 thousand (31 December 2018: 628,190 thousand). Further, as of 31 March 2019, had the benefit of FSVs (including those availed into previous years) not been taken by the holding company, the specific provision against non-performing advances would have been higher by Rs. 1,882,456 thousand (31 December 2018: Rs. 2,096,898 thousand) and accumulated profit would have been lower by Rs. 1,223,596 thousand (31 December 2018: Rs. 1,362,983 thousand). This amount of Rs. 1,223,596 thousand (31 December 2018: Rs. 1,362,983 thousand) is not available for distribution of cash and stock dividend to the shareholders and bonus to employees.

	Note	<b>31 March 2019</b> (Un-Audited)	31 December 2018 (Audited)
Rupees in '000			
<b>11. FIXED ASSETS</b>			
Capital work-in-progress	11.1	<b>76,145</b>	148,081
Property and equipment		<b>4,178,208</b>	3,799,781
		<b>4,254,353</b>	3,947,862

##### 11.1 Capital work-in-progress

Civil works	<b>47,202</b>	28,360
Equipment	<b>14,594</b>	110,420
Advance to suppliers	<b>14,349</b>	9,301
	<b>76,145</b>	148,081

	<b>31 March 2019</b> (Un-Audited)	31 March 2018 (Un-Audited)
Rupees in '000		

##### 11.2 Additions to fixed assets

The following additions have been made to fixed assets during the period:

Capital work-in-progress	<b>(71,936)</b>	78,697
<b>Property and equipment</b>		
Building on leasehold land	<b>149,101</b>	—
Furniture and fixture	<b>22,821</b>	14,372
Electrical office and computer equipment	<b>390,605</b>	90,268
Vehicles	<b>5,727</b>	8,633
Lease hold improvement	<b>36,955</b>	5,303
	<b>605,209</b>	118,576
Total	<b>533,273</b>	197,273

<b>31 March 2019</b>	31 March 2018
(Un-Audited)	(Un-Audited)
Rupees in '000	

## 11.3 Disposal of fixed assets

The net book value of fixed assets disposed off during the period is as follows:

Furniture and fixture	<b>37</b>	78
Electrical office and computer equipment	<b>333</b>	894
Vehicles	<b>617</b>	1,211
Lease hold improvement	<b>—</b>	2,324
Total	<b>987</b>	4,507

<b>31 March 2019</b>	31 December 2018
(Un-Audited)	(Audited)
Rupees in '000	

## 12. INTANGIBLE ASSETS

Computer Software

<b>131,991</b>	163,645
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The following additions have been made to intangible assets during the period:

<b>31 March 2019</b>	31 March 2018
(Un-Audited)	(Un-Audited)
Rupees in '000	

### 12.1 Additions:

- directly purchased

<b>1,211</b>	3,606
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<b>31 March 2019</b>	31 December 2018
(Un-Audited)	(Audited)
Rupees in '000	

## 13. DEFERRED TAX ASSETS

### Deductible temporary differences

Provision for diminution in value of investments	<b>148,210</b>	146,297
Provision for non-performing and off - balance sheet	<b>2,729,064</b>	2,746,495
Provision against other assets	<b>—</b>	198
(Deficit) / surplus on revaluation of investments	<b>2,810,118</b>	3,097,834
Deferred liability on defined benefit plan	<b>60,543</b>	71,680
Others	<b>869</b>	1,494
	<b>5,748,804</b>	6,063,998

### Taxable temporary differences

Surplus on revaluation of non banking assets	<b>(96,251)</b>	(96,632)
Accelerated depreciation	<b>(114,988)</b>	(145,898)
	<b>(211,239)</b>	(242,530)
<b>Net deferred tax asset</b>	<b>5,537,565</b>	5,821,468

	Note	31 March 2019 (Un-Audited)	31 December 2018 (Audited)
		Rupees in '000	
<b>14. OTHER ASSETS</b>			
Income / mark-up / profit accrued in local currency		8,811,704	8,244,570
Income / mark-up / profit accrued in foreign currencies		26,481	29,916
Advances, deposits, advance rent and other prepayments		615,969	765,427
Advance taxation (payments less provision)		–	537,724
Non-banking assets acquired in satisfaction of claims		485,822	487,505
Branch adjustment account		66	63
Mark to market gain on forward foreign exchange contracts		2,813,884	4,206,429
Acceptances		16,274,678	14,429,148
Receivable from the SBP against encashment of government securities		282,847	114,055
Advance against vehicles for diminishing musharaka		–	78,126
Stationery and stamps on hand		73,032	62,789
Dividend receivable		8,800	769
Others		436,598	408,805
		<u>29,829,881</u>	<u>29,365,326</u>
Provision against other assets	14.1	<u>(210,678)</u>	<u>(210,678)</u>
Other assets (net of provision)		<u>29,619,203</u>	<u>29,154,648</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	19.1	<u>275,003</u>	<u>276,093</u>
		<u>29,894,206</u>	<u>29,430,741</u>
<b>14.1 Provision held against other assets</b>			
Operational loss		210,000	210,000
Other receivable		678	678
		<u>210,678</u>	<u>210,678</u>

	31 March 2019 (Un-Audited)	31 December 2018 (Audited)
	Rupees in '000	
<b>15. BILLS PAYABLE</b>		
In Pakistan	<u>10,810,887</u>	<u>12,173,407</u>
<b>16. BORROWINGS</b>		
<b>Secured</b>		
Borrowings from the State Bank of Pakistan		
Under Export Refinance Scheme	29,000,125	24,196,093
Under Long Term Financing Facility - Renewable Energy	962,784	962,784
Under Long Term Financing Facility - Locally Manufactured Plant and Machinery	<u>7,688,447</u>	<u>6,730,915</u>
	<u>37,651,356</u>	<u>31,889,792</u>
Repurchase agreement borrowings (Repo)	24,946,446	12,658,729
Due against bills rediscounting	<u>4,296,536</u>	<u>3,310,164</u>
	<u>66,894,338</u>	<u>47,858,685</u>
<b>Unsecured</b>		
Call borrowing	—	300,000
Certificate of investment	1,598,879	1,411,393
Murabaha financing	225,000	250,000
Overdrawn nostro accounts	2,955,118	3,183,003
Overdrawn local bank accounts	<u>5,693</u>	<u>5,693</u>
	<u>4,784,690</u>	<u>5,150,089</u>
	<u>71,679,028</u>	<u>53,008,774</u>

## 17. DEPOSITS AND OTHER ACCOUNTS

	31 March 2019 (Un-Audited)			31 December 2018 (Audited)		
	In local currency	In foreign currency	Total	In local currency	In foreign currency	Total
	Rupees in '000					
<b>Customers</b>						
Current accounts (non-remunerative)	125,731,569	23,217,664	148,949,233	120,602,372	23,351,234	143,953,606
Savings deposits	121,847,207	17,244,247	139,091,454	122,954,951	17,173,301	140,128,252
Term deposits	175,106,101	43,150,317	218,256,418	179,602,186	43,693,831	223,296,017
Others	8,182,473	918	8,183,391	7,984,099	906	7,985,005
	<u>430,867,350</u>	<u>83,613,146</u>	<u>514,480,496</u>	<u>431,143,608</u>	<u>84,219,272</u>	<u>515,362,880</u>
<b>Financial institutions</b>						
Current deposits (non-remunerative)	1,097,718	1,077,601	2,175,319	1,489,569	942,405	2,431,974
Savings deposits	37,370,590	71	37,370,661	24,109,273	70	24,109,343
Term deposits	<u>4,233,000</u>	<u>4,318</u>	<u>4,237,318</u>	<u>931,000</u>	<u>4,260</u>	<u>935,260</u>
	<u>42,701,308</u>	<u>1,081,990</u>	<u>43,783,298</u>	<u>26,529,842</u>	<u>946,735</u>	<u>27,476,577</u>
	<u>473,568,658</u>	<u>84,695,136</u>	<u>558,263,794</u>	<u>457,673,450</u>	<u>85,166,007</u>	<u>542,839,457</u>

	Note	31 March 2019 (Un-Audited)	31 December 2018 (Audited)
		Rupees in '000	
<b>18. OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		<b>7,006,470</b>	6,520,736
Mark-up / return / interest payable in foreign currencies		<b>523,697</b>	362,013
Unearned commission and income on bills discounted		<b>239,841</b>	190,533
Accrued expenses		<b>1,056,091</b>	785,163
Current taxation (provision less payments)		<b>91,879</b>	—
Acceptances		<b>16,274,678</b>	14,429,148
Unclaimed dividend		<b>103,977</b>	107,725
Dividend payable		<b>2,095,663</b>	—
Mark to market loss on forward foreign exchange contracts		<b>2,217,480</b>	3,549,157
Provision for compensated absences		<b>216,639</b>	208,864
Deferred liability on defined benefit plan		<b>214,948</b>	202,404
Provision against off-balance sheet obligations	18.1	<b>113,716</b>	113,716
Workers' welfare fund		<b>1,013,046</b>	952,940
Charity fund balance		<b>464</b>	291
Excise duty payable		<b>1,920</b>	1,003
Locker deposits		<b>779,878</b>	764,223
Advance against diminishing musharakah		<b>90,819</b>	98,166
Advance rental for ijarah		<b>2,163</b>	2,259
Security deposits against leases / ijarah		<b>669,386</b>	657,958
Sundry creditors		<b>805,486</b>	673,189
Withholding tax / duties		<b>228,320</b>	339,235
Others		<b>1,635,770</b>	406,667
		<b>35,382,331</b>	30,365,390
<b>18.1 Provision against off-balance sheet obligations</b>			
Opening balance		<b>113,716</b>	113,716
Charge for the period / year		<b>—</b>	—
Closing balance		<b>113,716</b>	113,716

The above represents provision against certain letters of credit and guarantees.

## 19. (DEFICIT) / SURPLUS ON REVALUATION OF ASSETS

(Deficit) / surplus on revaluation of			
- Non-banking assets		<b>275,003</b>	276,093
- Available for sale securities	9.1	<b>(7,966,983)</b>	(8,806,264)
		<b>(7,691,980)</b>	(8,530,171)
Less: Deferred tax on (deficit) / surplus on revaluation of			
- Non-banking assets		<b>96,250</b>	96,632
- Available for sale securities		<b>(2,810,118)</b>	(3,097,834)
		<b>2,713,868</b>	3,001,202
		<b>(4,978,112)</b>	(5,528,969)
Surplus / (deficit) pertaining to non-controlling interest		<b>(44,585)</b>	(33,160)
		<b>(5,022,697)</b>	(5,562,129)

	Note	31 March 2019 (Un-Audited)	31 December 2018 (Audited)
		Rupees in '000	
<b>20. CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	20.1	59,043,742	53,215,390
Commitments	20.2	378,827,171	323,117,101
Other contingent liabilities	20.3	25,301,940	24,476,694
		<u>463,172,853</u>	<u>400,809,185</u>
<b>20.1 Guarantees</b>			
Financial guarantees		6,782,530	3,931,150
Performance guarantees		34,594,360	32,514,435
Other guarantees		17,666,852	16,769,805
		<u>59,043,742</u>	<u>53,215,390</u>
<b>20.2 Commitments</b>			
Documentary credits and short-term trade-related transactions:			
Letters of credit		94,763,084	89,700,969
Commitments in respect of:			
Forward exchange contracts	20.2.1	280,290,547	230,915,612
Operating leases	20.2.2	99,427	99,427
Forward lendings	20.2.3	3,648,336	2,267,933
Acquisition of operating fixed assets		25,777	133,160
		<u>378,827,171</u>	<u>323,117,101</u>
<b>20.2.1 Commitments in respect of forward exchange contracts</b>			
Purchase		162,162,289	136,568,523
Sale		118,128,258	94,347,089
		<u>280,290,547</u>	<u>230,915,612</u>
<b>20.2.2 Commitments in respect of operating leases</b>			
Not later than one year		99,427	99,427
Later than one year and not later than five years		—	—
		<u>99,427</u>	<u>99,427</u>

### 20.2.3 Commitments in respect of forward lendings

The Bank has made commitments to extend credit in the normal course of its business, but none of these commitments are irrevocable and do not attract any penalty if the facility is unilaterally withdrawn, except for:

	Note	<b>31 March 2019</b> (Un-Audited)	31 December 2018 (Audited)
		Rupees in '000	
Commitments in respect of syndicate financing		<b>3,139,624</b>	1,887,433
Commitments in respect of financing transaction		<b>508,712</b>	380,500
		<b><u>3,648,336</u></b>	<u>2,267,933</u>

### 20.3 Other contingent liabilities

Claims against bank not acknowledged as debt		<b>25,195,884</b>	24,370,638
Foreign Exchange repatriation case	20.3.1	<b>106,056</b>	106,056
		<b><u>25,301,940</u></b>	<u>24,476,694</u>

#### 20.3.1 Foreign exchange repatriation case

While adjudicating Foreign Exchange repatriation cases of exporters, the Foreign Exchange Adjudicating Court of the State Bank of Pakistan has adjudicated penalty of Rs. 106,056 thousand, arbitrarily on the holding company. The holding company has filed appeals before the Appellate Board and Constitutional Petitions in the Honorable High Court of Sindh against the said judgment. The Honorable High Court has granted relief to the holding company by way of interim orders. Based on merits of the appeals management is confident that these appeals shall be decided in favor of the holding company and therefore no provision has been made against the impugned penalty.

## 21. DERIVATIVE FINANCIAL INSTRUMENTS

The holding company deals in derivative financial instruments namely forward foreign exchange contracts and foreign currency swaps with the principal view of hedging the risks arising from its trade business.

As per the Group's policy, these contracts are reported on their fair value at the statement of financial position date. The gains and losses from revaluation of these contracts are included under "income from dealing in foreign currencies". Mark-to-market gains and losses on these contracts are recorded on the statement of financial position under "other assets / other liabilities".

These products are offered to the holding company's customers to protect them from unfavourable movements in foreign currencies. The holding company hedges such exposures in the inter-bank foreign exchange market.

These positions are reviewed on a regular basis by the Group's Asset and Liability Committee (ALCO).



## 22. MARK-UP / RETURN / INTEREST EARNED

	31 March 2019 (Un-Audited)	31 March 2018 (Un-Audited)
	Rupees in '000	
Loans and advances	5,676,290	2,801,433
Investments	7,012,732	6,959,855
Lendings with financial institutions	1,471,639	163,113
Balances with other banks	5,929	2,895
	<u>14,166,590</u>	<u>9,927,296</u>

## 23. MARK-UP / RETURN / INTEREST EXPENSED

Deposits	8,113,809	4,718,844
Borrowings	799,379	1,125,351
Foreign currency swap cost	624,208	283,246
	<u>9,537,396</u>	<u>6,127,441</u>

## 24. FEE & COMMISSION INCOME

Branch banking customer fees	62,010	66,998
Credit related fees	15,904	14,759
Card related fees	80,665	59,498
Commission on trade	852,112	630,991
Commission on guarantees	122,444	105,441
Commission on home remittances	7,525	6,078
Commission on bancassurance	27,800	15,292
Commission on cash management	14,632	14,759
Others	10,354	18,907
	<u>1,193,446</u>	<u>932,723</u>

## 25. GAIN / (LOSS) ON SECURITIES

<b>Realised</b>		
Federal government securities	6,633	13,581
Shares	(76,398)	(84,046)
Mutual funds	80,343	88,675
	<u>10,578</u>	<u>18,210</u>

## 26. OTHER INCOME

Rent on properties	11,162	5,690
Gain on sale of fixed assets - net	3,616	339
Recovery of charges from customers	67,783	49,178
Incidental and service charges	25,189	23,626
Gain on sale of ijarah assets - net	2,971	3,409
Gain on sale of non-banking assets - net	-	202,282
Gain on sale of non-current assets held-for-sale	-	35,042
Staff notice period and other recoveries	926	1,081
	<u>111,647</u>	<u>320,647</u>

	31 March 2019 (Un-Audited)	31 March 2018 (Un-Audited)
	Rupees in '000	
<b>27. OPERATING EXPENSES</b>		
Total compensation expense	1,504,531	1,385,643
<b>Property expense</b>		
Rent & taxes	307,150	263,318
Insurance	1,245	1,044
Utilities cost	71,730	55,250
Security	115,226	106,118
Repair & maintenance	89,124	92,405
Depreciation	94,658	84,770
	679,133	602,905
<b>Information technology expenses</b>		
Software maintenance	13,336	15,171
Hardware maintenance	52,533	12,474
Depreciation	27,371	25,706
Amortisation	32,836	30,824
Network charges	45,212	37,818
	171,288	121,993
<b>Other operating expenses</b>		
Directors' fees and allowances	3,410	4,150
Fees and allowances to Shariah Board	2,416	2,049
Legal & professional charges	37,107	29,226
Outsourced service costs	61,052	53,257
Travelling & conveyance	58,564	39,302
NIFT clearing charges	18,933	20,193
Depreciation	103,795	86,177
Depreciation - non-banking assets	2,773	3,573
Training & development	6,814	5,030
Postage & courier charges	22,866	16,839
Communication	26,569	22,641
Subscription	36,928	25,504
Brokerage & commission	25,404	24,456
Stationery & printing	55,342	45,822
Marketing, advertisement & publicity	22,330	78,259
Management fee	86,817	85,105
Insurance	120,716	37,782
Donations	25,410	23,211
Auditors' remuneration	4,934	4,130
Others	73,512	62,870
	795,692	669,576
<b>Total</b>	<b>3,150,644</b>	<b>2,780,117</b>

	Note	31 March 2019 (Un-Audited)	31 March 2018 (Un-Audited)
<b>28. OTHER CHARGES</b>			
Penalties imposed by the SBP		<u>714</u>	<u>158</u>
<b>29. PROVISIONS &amp; WRITE OFFS - NET</b>			
Provision for diminution in value of investments - net	9.2.1	<u>5,465</u>	<u>1,077</u>
Provision / (reversal) of provision against loan & advances - net	10.4	<u>129,830</u>	<u>243,745</u>
Reversal of provision against other assets		<u>-</u>	<u>(101,250)</u>
Recovery of written off bad debts		<u>(1,667)</u>	<u>(46,151)</u>
		<u>133,628</u>	<u>97,421</u>
<b>30. TAXATION</b>			
Current		<u>1,190,970</u>	<u>748,661</u>
Prior year		<u>300,546</u>	<u>-</u>
Deferred		<u>(14,841)</u>	<u>38,249</u>
		<u>1,476,675</u>	<u>786,910</u>
<b>31. BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit attributable to equity shareholders of the holding company		<u>1,520,432</u>	<u>1,576,170</u>
		<u>Number in '000</u>	<u>Number in '000</u>
Weighted average number of ordinary shares		<u>1,047,831</u>	<u>1,047,831</u>
		<u>(Rupees)</u>	<u>(Rupees)</u>
Basic and diluted earnings per share		<u>1.45</u>	<u>1.50</u>

## 32. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than investment in subsidiaries and those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

### 32.1 Fair value of financial assets

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

### On balance sheet financial instruments

31 March 2019 (Un-Audited)				
Carrying / Notional value	Fair value			Total
	Level 1	Level 2	Level 3	
(Rupees in '000)				

### Financial assets measured at fair value

- Investments				
- Available-for-sale securities				
Federal government securities	286,571,063	-	286,571,063	-
Sukuk certificates and bonds	1,490,101	-	1,490,101	-
Ordinary shares of listed companies	727,670	727,670	-	-
Mutual funds - open end	16,793	-	16,793	-
- close end	413,669	413,669	-	-
Listed term finance certificates	3,346,844	-	3,346,844	-
Unlisted term finance certificates	42,795	-	42,795	-

### Financial assets not measured at fair value - disclosed but not measured at fair value

- Cash and balances with treasury banks	50,372,133	-	-	-	-
- Balances with other banks	3,067,688	-	-	-	-
- Lendings to financial institutions	48,037,665	-	-	-	-
- Investments					
- Held-to-maturity securities					
Federal government securities	36,264,415	-	-	-	-
- Available-for-sale securities					
Ordinary shares of unlisted companies	27,920	-	-	-	-
- Advances	246,469,809	-	-	-	-
- Other assets	28,654,992	-	-	-	-
	705,503,557	1,141,339	291,467,596	-	292,608,935

### Off-balance sheet financial instruments measured at fair value

- Forward purchase of foreign exchange contracts	164,619,551	-	164,619,551	-	164,619,551
- Forward sale of foreign exchange contracts	119,964,986	-	119,964,986	-	119,964,986

**On balance sheet financial instruments**

31 December 2018 (Audited)					
	Carrying / Notional value	Fair value			
		Level 1	Level 2	Level 3	Total
(Rupees in '000)					
<b>Financial assets measured at fair value</b>					
- Investments					
- Available-for-sale securities					
Federal government securities	298,948,531	—	298,948,531	—	298,948,531
Sukuk certificates and bonds	1,492,667	—	1,492,667	—	1,492,667
Ordinary shares of listed companies	687,775	687,775	—	—	687,775
Mutual funds - open end	14,900	—	14,900	—	14,900
- close end	435,855	435,855	—	—	435,855
Listed term finance certificates	3,357,258	—	3,357,258	—	3,357,258
Unlisted term finance certificates	59,913	—	59,913	—	59,913

**Financial assets not measured  
at fair value**

- Cash and balances with treasury banks	48,177,307	–	–	–	–
- Balances with other banks	1,916,548	–	–	–	–
- Lendings to financial institutions	11,984,795	–	–	–	–
- Investments					
- Held-to-maturity securities					
Federal government securities	36,259,349	–	–	–	–
Certificates of investments	–	–	–	–	–
- Available-for-sale securities					
Ordinary shares of unlisted companies	27,920	–	–	–	–
- Advances	236,112,844	–	–	–	–
- Other assets	27,511,818	–	–	–	–
	<u>666,987,480</u>	<u>1,123,630</u>	<u>303,873,269</u>	<u>–</u>	<u>304,996,899</u>

**Off-balance sheet financial  
instruments measured at fair value**

- Forward purchase of foreign exchange contracts	<u>140,141,186</u>	<u>–</u>	<u>140,141,186</u>	<u>–</u>	<u>140,141,186</u>
- Forward sale of foreign exchange contracts	<u>97,365,720</u>	<u>–</u>	<u>97,365,720</u>	<u>–</u>	<u>97,365,720</u>

### Valuation techniques used in determination of fair valuation of financial instruments within level 2.

Debt Securities	The fair value is determined using the prices / rates available on Mutual Funds, Association of Pakistan (MUFAP) / Reuters.
Forward contracts	The fair values are derived using forward exchange rates applicable to their respective remaining maturities.
Mutual funds	The fair value is determined based on the net asset values published at the close of each business day.

### 33. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	31 March 2019 (Un-Audited)			
	Trade & Sales	Retail Banking	Commercial Banking	Total
	(Rupees in '000)			
<b>Profit &amp; Loss</b>				
Net mark-up / return / profit	8,341,943	(4,374,068)	661,319	4,629,194
Inter segment revenue - net	(8,945,170)	7,196,644	1,748,526	-
Non mark-up / return / interest income	84,387	-	1,713,419	1,797,806
Total Income	(518,840)	2,822,576	4,123,264	6,427,000
Segment direct expenses	(70,146)	(45,764)	(1,330,520)	(1,446,430)
Inter segment expense allocation	(973,862)	(69,214)	(723,681)	(1,766,757)
Total expenses	(1,044,008)	(114,978)	(2,054,201)	(3,213,187)
Provisions	(5,465)	-	(128,163)	(133,628)
Profit before tax	(1,568,313)	2,707,598	1,940,900	3,080,185
<b>Balance Sheet</b>				
Cash & Bank balances	2,044,942	26,611,539	24,783,340	53,439,821
Investments	328,901,270	-	-	328,901,270
Lendings to financial institutions	48,037,665	-	-	48,037,665
Advances - performing	-	3,191,567	243,041,543	246,233,110
Advances - non-performing	-	4,554	16,922,665	16,927,219
Provision against advances	-	(8,538)	(16,681,982)	(16,690,520)
Net inter segment lending	-	269,509,164	44,171,037	313,680,201
Others	7,432,972	777	32,384,366	39,818,115
Total Assets	386,416,849	299,309,063	344,620,969	1,030,346,881
Borrowings	32,203,793	-	39,475,235	71,679,028
Deposits & other accounts	-	295,355,830	262,907,964	558,263,794
Net inter segment borrowing	313,680,201	-	-	313,680,201
Others	2,215	3,953,233	42,237,770	46,193,218
Total liabilities	345,886,209	299,309,063	344,620,969	989,816,241
Equity	40,530,640	-	-	40,530,640
Total Equity & liabilities	386,416,849	299,309,063	344,620,969	1,030,346,881
Contingencies & Commitments	280,290,547	99,427	182,782,879	463,172,853

## 31 March 2018 (Un-Audited)

	Trade & Sales	Retail Banking	Commercial Banking	Total
	(Rupees in '000)			
<b>Profit &amp; Loss</b>				
Net mark-up / return / profit	5,987,155	(684,251)	(1,503,049)	3,799,855
Inter segment revenue - net	(4,874,920)	962,802	3,912,118	—
Non mark-up / return / interest income	(215,730)	—	1,767,636	1,551,906
Total Income	896,505	278,551	4,176,705	5,351,761
Segment direct expenses	(61,144)	(23,313)	(1,135,662)	(1,220,119)
Inter segment expense allocation	(953,009)	(22,009)	(634,598)	(1,609,616)
Total expenses	(1,014,153)	(45,322)	(1,770,260)	(2,829,735)
Provisions	(1,077)	—	(96,344)	(97,421)
Profit before tax	(118,725)	233,229	2,310,101	2,424,605

## 31 December 2018 (Audited)

<b>Balance Sheet</b>				
Cash & Bank balances	1,209,795	24,672,447	24,211,613	50,093,855
Investments	341,284,168	—	—	341,284,168
Lendings to financial institutions	11,984,795	—	—	11,984,795
Advances - performing	—	3,167,811	231,825,816	234,993,627
Advances - non-performing	—	3,432	17,676,475	17,679,907
Provision against advances	—	(8,538)	(16,552,152)	(16,560,690)
Net inter segment lending	—	254,934,343	48,738,775	303,673,118
Others	12,852,393	52,983	26,458,340	39,363,716
Total Assets	367,331,151	282,822,478	332,358,867	982,512,496
Borrowings	19,457,589	—	33,551,185	53,008,774
Deposits & other accounts	—	279,208,331	263,631,126	542,839,457
Net inter segment borrowing	303,673,118	—	—	303,673,118
Others	3,748,094	3,614,147	35,176,556	42,538,797
Total liabilities	326,878,801	282,822,478	332,358,867	942,060,146
Equity	40,452,350	—	—	40,452,350
Total Equity & liabilities	367,331,151	282,822,478	332,358,867	982,512,496
Contingencies & Commitments	230,915,612	—	169,893,573	400,809,185

### 34. TRANSACTIONS WITH RELATED PARTIES

The group has related party relationships with its ultimate parent company, associates, companies with common directorship, key management personnel, directors and employees' retirement benefit plans.

Contributions in respect of employees' retirement benefits are made in accordance with actuarial valuation and terms of contribution plan. Salaries & allowances of the key management personnel are in accordance with the terms of their employment. Other transactions are at agreed terms.

	31 March 2019 (Un-Audited)					
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000					
<b>Balances with other banks</b>						
In current accounts	67,594	56,335	–	–	–	123,929
<b>Investments</b>						
Opening balance	–	–	–	–	–	–
Investment made during the period	–	–	–	–	–	–
Investment redeemed / disposed off during the period	–	–	–	–	–	–
Closing balance	–	–	–	–	–	–
<b>Advances</b>						
Opening balance	890	2,820,520	115,507	–	–	2,936,917
Addition during the period	–	8,358,964	78,552	–	–	8,437,516
Repaid during the period	(290)	(8,095,362)	(7,311)	–	–	(8,102,963)
Closing balance	600	3,084,122	186,748	–	–	3,271,470
<b>Other Assets</b>						
Mark-up / return / interest accrued	–	28,542	–	–	–	28,542
Prepayments / advance deposits / other receivable	–	14,578	–	–	–	14,578
	–	43,120	–	–	–	43,120
<b>Borrowings</b>						
Opening balance	8,823	–	–	–	–	8,823
Borrowings during the period	–	–	–	–	–	–
Settled during the period	(8,823)	–	–	–	–	(8,823)
Closing balance	–	–	–	–	–	–
<b>Deposits</b>						
Opening balance	396,056	16,199,005	163,874	731,175	3,689,624	21,179,734
Received during the period	2,057,371	412,240,035	812,128	374,530	1,946,865	417,430,929
Withdrawn during the period	(2,140,135)	(413,587,581)	(520,976)	(352,572)	(2,238,837)	(418,840,101)
Closing balance	313,292	14,851,459	455,026	753,133	3,397,652	19,770,562
<b>Other Liabilities</b>						
Mark-up / return / interest payable	–	425,972	4,368	4,031	679,448	1,113,819
Management fee payable for technical and consultancy services*	88,475	–	–	–	–	88,475
Payable against purchase of securities	15,422	–	–	–	–	15,422
Other payables	–	7,499	–	–	214,948	222,447
	103,897	433,471	4,368	4,031	894,396	1,440,163
<b>Contingencies &amp; commitments</b>						
Transaction-related contingent liabilities	–	7,941,346	–	–	–	7,941,346
Trade-related contingent liabilities	–	1,029,785	–	–	–	1,029,785
	–	8,971,131	–	–	–	8,971,131

\* Management fee is as per the agreement with the holding company.



31 December 2018 (Audited)

	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000					
<b>Balances with other banks</b>						
In current accounts	112,023	44,688	—	—	—	156,711
<b>Investments</b>						
Opening balance	—	—	—	—	—	—
Investment made during the year	—	—	—	—	—	—
Investment redeemed / disposed off during the year	—	—	—	—	—	—
Closing balance	—	—	—	—	—	—
<b>Advances</b>						
Opening balance	2,204	1,704,636	172,585	—	—	1,879,425
Addition during the year	—	74,713,838	47,080	—	—	74,760,918
Repaid during the year	(1,314)	(73,597,954)	(104,158)	—	—	(73,703,426)
Closing balance	890	2,820,520	115,507	—	—	2,936,917
<b>Other Assets</b>						
Mark-up / return / interest accrued	—	17,113	—	—	—	17,113
Prepayments / Advance deposits / other receivable	—	6,293	—	—	—	6,293
Receivable against purchase of securities	9,174	—	—	—	—	9,174
	9,174	23,406	—	—	—	32,580
<b>Borrowings</b>						
Opening balance	—	—	—	—	—	—
Borrowings during the year	8,823	—	—	—	—	8,823
Settled during the year	—	—	—	—	—	—
Closing balance	8,823	—	—	—	—	8,823
<b>Deposits</b>						
Opening balance	731,705	21,061,604	168,539	675,958	2,404,120	25,041,926
Received during the year	8,548,305	1,648,037,662	600,685	2,393,366	6,166,560	1,665,746,578
Withdrawn during the year	(8,883,954)	(1,652,900,261)	(605,350)	(2,338,149)	(4,881,056)	(1,669,608,770)
Closing balance	396,056	16,199,005	163,874	731,175	3,689,624	21,179,734
<b>Other Liabilities</b>						
Mark-up / return / interest payable	—	351,586	1,295	3,205	633,330	989,416
Management fee payable for technical and consultancy services *	115,344	—	—	—	—	115,344
Other payables	—	6,391	—	—	202,404	208,795
	115,344	357,977	1,295	3,205	835,734	1,313,555
<b>Contingencies &amp; commitments</b>						
Transaction-related contingent liabilities	—	7,531,999	—	—	—	7,531,999
Trade-related contingent liabilities	—	1,999,428	—	—	—	1,999,428
Commitment against operating leases	—	1,681	—	—	—	1,681
	—	9,533,108	—	—	—	9,533,108

\* Management fee is as per the agreement with the holding company.

## Transactions during the period

	For the period ended 31 March 2019 (Un-Audited)				
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans
	Rupees in '000				
<b>Income</b>					
Mark-up / return / interest earned	290	36,960	3,597	–	–
Fee and commission income	1,392	17,241	–	12	–
Rent income	1,404	–	–	–	–
<b>Expense</b>					
Mark-up / return / interest expensed	–	404,774	9,672	14,338	107,835
Commission / brokerage / bank charges paid	204	370	–	–	–
Salaries and allowances	–	–	120,971	–	–
Directors' fees and allowances	–	–	–	3,410	–
Charge to defined benefit plan	–	–	–	–	42,540
Contribution to defined contribution plan	–	–	–	–	48,204
Operating lease rentals / rent expenses	–	3,482	–	–	–
Insurance premium expenses	–	7,053	–	–	–
Maintenance, electricity, stationery & entertainment	–	26,307	–	–	–
Management fee expense for technical and consultancy services *	85,477	–	–	–	–
Donation	–	1,480	–	–	–
Professional / other charges	–	684	–	–	–

\* Management fee is as per the agreement with the holding company.

**Transactions during the period**

	For the period ended 31 March 2018 (Un-Audited)					
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000					
<b>Income</b>						
Mark-up / return / interest earned	905	9,090	1,709	–	–	11,704
Fee and commission income	1,950	16,035	–	8	–	17,993
Rent income	1,404	–	–	–	–	1,404
<b>Expenses</b>						
Mark-up / return / interest expensed	–	288,333	2,640	7,176	59,713	357,862
Commission / brokerage / bank charges paid	160	316	–	–	–	476
Salaries and allowances	–	–	100,887	–	–	100,887
Directors' fees and allowances	–	–	–	4,150	–	4,150
Charge to defined benefit plan	–	–	–	–	38,987	38,987
Contribution to defined contribution plan	–	–	–	–	46,908	46,908
Operating lease rentals / rent expenses	–	3,635	–	–	–	3,635
Insurance premium expenses	–	3,636	–	–	–	3,636
Maintenance, electricity, stationery & entertainment	–	25,073	–	–	–	25,073
Management fee expense for technical and consultancy services *	84,074	–	–	–	–	84,074
Donation	–	6,119	–	–	–	6,119

\* Management fee is as per the agreement with the holding company.

### 35. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	31 March 2019 (Un-Audited)	31 December 2018 (Audited)
	Rupees in '000	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<u>10,478,315</u>	<u>10,478,315</u>
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>35,234,094</u>	<u>34,907,701</u>
Eligible Additional Tier 1 (ADT 1) Capital	<u>-</u>	<u>-</u>
Total Eligible Tier 1 Capital	<u>35,234,094</u>	<u>34,907,701</u>
Eligible Tier 2 Capital	<u>1,539,445</u>	<u>915,322</u>
Total Eligible Capital (Tier 1 + Tier 2)	<u>36,773,539</u>	<u>35,823,023</u>
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	<u>249,671,677</u>	<u>235,418,319</u>
Market Risk	<u>1,625,151</u>	<u>1,571,342</u>
Operational Risk	<u>36,732,187</u>	<u>36,732,186</u>
Total	<u>288,029,015</u>	<u>273,721,847</u>
CET 1 Capital Adequacy Ratio	<u>12.23%</u>	<u>12.75%</u>
Tier 1 Capital Adequacy Ratio	<u>12.23%</u>	<u>12.75%</u>
Total Capital Adequacy Ratio	<u>12.77%</u>	<u>13.09%</u>
<b>Minimum capital requirements prescribed by SBP</b>		
Common Equity Tier 1 Capital Adequacy Ratio	6.00%	6.00%
Tier 1 Capital Adequacy Ratio	7.50%	7.50%
Total Capital Adequacy Ratio	11.90%	11.90%
Banks use simple, maturity method and basic indicator approach for credit risk, market risk and operational risk exposures respectively in the capital adequacy calculation.		
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	<u>35,234,094</u>	<u>34,907,701</u>
Total Exposures	<u>890,013,728</u>	<u>830,913,057</u>
Leverage Ratio	<u>3.96%</u>	<u>4.20%</u>

## 36. ISLAMIC BANKING BUSINESS

The holding company is operating 31 (31 December 2018: 31) Islamic banking branches and 219 (2018: 216) Islamic banking windows at the end of during the period / year.

	Note	31 March 2019 (Un-Audited) Rupees in '000	31 December 2018 (Audited) Rupees in '000
<b>ASSETS</b>			
Cash and balances with treasury banks		2,964,777	3,340,608
Balances with other banks		—	—
Due from financial institutions	36.1	17,554,218	1,000,000
Investments	36.2	10,023,789	21,312,705
Islamic financing and related assets - net	36.3	17,935,367	17,715,168
Fixed assets		87,790	82,121
Intangible assets		—	—
Due from Head Office		565,576	1,056,134
Other assets		1,687,062	1,605,849
<b>Total Assets</b>		<b>50,818,579</b>	<b>46,112,585</b>
<b>LIABILITIES</b>			
Bills payable		626,786	657,934
Due to financial institutions		2,102,854	1,864,574
Deposits and other accounts	36.4	43,411,010	38,684,214
Due to Head Office		—	—
Subordinated debt		—	—
Other liabilities		1,382,236	1,473,908
		<b>47,522,886</b>	<b>42,680,630</b>
<b>NET ASSETS</b>		<b>3,295,693</b>	<b>3,431,955</b>
<b>REPRESENTED BY</b>			
Islamic banking fund		3,003,520	3,003,472
Reserves		—	—
Surplus / (deficit) on revaluation of assets		6,246	(17,981)
Unappropriated profit		285,927	446,464
		<b>3,295,693</b>	<b>3,431,955</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	36.5		

The profit and loss account of the Bank's Islamic banking branches for the period ended 31 March 2019 is as follows:

	Note	<b>31 March 2019</b> (Un-Audited) Rupees in '000	31 March 2018 (Un-Audited) (Rupees in '000)
Profit / return earned	36.6	<b>1,012,743</b>	631,390
Profit / return expensed	36.7	<b>(604,417)</b>	(435,707)
<b>Net Profit / return</b>		<b>408,326</b>	195,683
<b>Other income</b>			
Fee and Commission Income		<b>36,855</b>	35,256
Dividend Income		—	—
Foreign Exchange Income		<b>8,143</b>	6,315
Income / (loss) from derivatives		—	—
Gain / (loss) on securities		<b>415</b>	(5)
Other Income		<b>5,209</b>	4,131
<b>Total other income</b>		<b>50,622</b>	45,697
<b>Total Income</b>		<b>458,948</b>	241,380
<b>Other expenses</b>			
Operating expenses		<b>169,367</b>	139,588
Workers Welfare Fund		—	—
Other charges		<b>85</b>	78
<b>Total other expenses</b>		<b>169,452</b>	139,666
Profit before provisions		<b>289,496</b>	101,714
Provisions and write offs - net		<b>(3,569)</b>	(13,560)
<b>Profit before taxation</b>		<b>285,927</b>	88,154

### 36.1 Due from Financial Institutions

	31 March 2019 (Un-Audited)			31 December 2018 (Audited)		
	In local currency	In foreign currency	Total	In local currency	In foreign currency	Total
	Rupees in '000					
<b>Unsecured</b>						
Musharaka	4,900,000	—	4,900,000	1,000,000	—	1,000,000
Bai-muajjal receivable from State Bank of Pakistan	12,654,218	—	12,654,218	—	—	—
	<b>17,554,218</b>	<b>—</b>	<b>17,554,218</b>	<b>1,000,000</b>	<b>—</b>	<b>1,000,000</b>

**36.2 Investments by segments:**

	31 March 2019				31 December 2018			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Rupees in '000							
<b>Federal Government Securities:</b>								
-Ijarah sukuk	-	-	-	-	11,313,145	-	(26,794)	11,286,351
-Bai-muajjal	3,608,688	-	-	3,608,688	3,608,688	-	-	3,608,688
	3,608,688	-	-	3,608,688	14,921,833	-	(26,794)	14,895,039
<b>Non Government Debt Securities</b>								
-Listed	5,537,142	-	3,007	5,540,149	5,537,142	-	3,805	5,540,947
-Unlisted	871,713	-	3,239	874,952	871,711	-	5,008	876,719
	6,408,855	-	6,246	6,415,101	6,408,853	-	8,813	6,417,666
<b>Total Investments</b>	<b>10,017,543</b>	<b>-</b>	<b>6,246</b>	<b>10,023,789</b>	<b>21,330,686</b>	<b>-</b>	<b>(17,981)</b>	<b>21,312,705</b>

**31 March 2019**      31 December 2018  
(Un-Audited)      (Audited)  
Rupees in '000

**36.3 Islamic financing and related assets - net**

Ijarah	<b>390,400</b>	398,097
Murabaha	<b>6,175,792</b>	5,906,879
Working capital musharaka	<b>2,215,505</b>	2,533,380
Diminishing musharaka	<b>3,529,253</b>	3,532,275
Istisna	<b>1,305,101</b>	1,029,204
Export refinance murabaha	<b>629,754</b>	497,902
Export refinance istisna	<b>32,143</b>	923,713
Al-Bai financing	<b>135,267</b>	316,194
Advances against:		
Ijarah	<b>94,166</b>	123,988
Murabaha	<b>243,566</b>	349,302
Diminishing musharaka	<b>558,048</b>	596,470
Istisna	<b>1,127,153</b>	1,064,759
Export refinance murabaha	<b>79,289</b>	127,507
Export refinance istisna	<b>1,467,834</b>	326,288
Inventory related to		
Al-Bai goods	<b>168,490</b>	240,116
Istisna goods	<b>205,670</b>	167,589
Gross Islamic financing and related assets	<b>18,357,431</b>	18,133,663
Provision against non-performing Islamic financing	<b>(422,064)</b>	(418,495)
<b>Islamic financing and related assets - net of provision</b>	<b>17,935,367</b>	17,715,168

	31 March 2019 (Un-Audited)	31 December 2018 (Audited)
	Rupees in '000	
<b>36.4 Deposits</b>		
<b>Customers</b>		
Current deposits	8,702,200	8,363,646
Savings deposits	17,472,311	18,287,455
Term deposits	12,626,289	10,834,638
	<b>38,800,800</b>	<b>37,485,739</b>
<b>Financial Institutions</b>		
Current deposits	4,202	2,054
Savings deposits	781,008	756,421
Term deposits	3,825,000	440,000
	4,610,210	1,198,475
	<b>43,411,010</b>	<b>38,684,214</b>
<b>36.5 Contingencies and commitments</b>		
Guarantees	1,200,504	1,893,613
Commitments	4,007,134	3,362,786
	<b>5,207,638</b>	<b>5,256,399</b>
<b>36.6 Profit / return earned on financing, investments and placement</b>		
<b>Profit earned on:</b>		
Financing	413,639	201,129
Investments	333,111	373,466
Placements	265,993	56,795
	<b>1,012,743</b>	<b>631,390</b>
<b>36.7 Profit on deposits and other dues expensed</b>		
Deposits and other accounts	594,895	426,590
Due to financial institutions	9,522	9,117
	<b>604,417</b>	<b>435,707</b>
<b>36.8 Unappropriated profit</b>		
Opening balance	446,464	283,058
Add: Islamic banking profit for the period	285,927	446,464
Less: Taxation	-	-
Less: Reserves	-	-
Less: Transferred to head office	(446,464)	(283,058)
Closing balance	<b>285,927</b>	<b>446,464</b>



## 37. GENERAL

**37.1** The figures have been rounded off to nearest thousand rupees, unless otherwise stated.

**37.2** Comparative information has been re-classified, re-arranged or additionally incorporated in these consolidated condensed interim financial statements wherever necessary to facilitate comparison and better presentation in accordance with the revised forms of quarterly financial statements of the Banks' issued by the SBP through its BPRD Circular letter No. 05 of 2019.

## 38. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on 19 April 2019 by the Board of Directors of the holding company.

**FUZAIL ABBAS**  
Chief Financial Officer

**MOHSIN A. NATHANI**  
President &  
Chief Executive Officer

**MOHOMED BASHIR**  
Director

**SOHAIL HASAN**  
Director

**MOHAMEDALI R. HABIB**  
Chairman

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