

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

هَذَا مِنْ فَضْلِ رَبِّي



HABIB METROPOLITAN BANK

[Subsidiary of Habib Bank AG Zurich]

Our Vision



Based on a foundation of trust,
to be the most respected financial institution,
delighting customers with excellence,
enjoying the loyalty of a dedicated team,
meeting the expectations of regulators and
participating in social causes while
providing superior returns to shareholders

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HABIBMETRO

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Corporate Information

BOARD OF DIRECTORS

CHAIRMAN

Kassim Parekh

PRESIDENT & CHIEF EXECUTIVE OFFICER

Sirajuddin Aziz

DIRECTORS

Ali S. Habib

Bashir Ali Mohammad

Mohamedali R. Habib*

Muhammad H. Habib

Tariq Ikram

Wazir Ali Khoja

* Executive Director

AUDIT COMMITTEE

Ali S. Habib

Kassim Parekh

Tariq Ikram

COMPANY SECRETARY

Fuzail Abbas

SHARE REGISTRAR

Noble Computer Services (Private) Limited
First Floor, Siddiqsons Tower,
3-Jinnah C.H. Society, Main Shahrah-e-Faisal,
Karachi 75350.

On behalf of the Board of Directors of Habib Metropolitan Bank, I am pleased to present our un-audited accounts for the half year ended June 30, 2012.

In the first half of 2012, Pakistan's economy continued to struggle to find a stable economic foothold. The outgoing fiscal year bequeathed an economy stunted by an ever-prevalent energy crisis, abating private investment and the entrenched structural predicaments of prevailing inflationary expectations, weak fiscal fundamentals and swelling domestic debt. The external front has provisionally posted a current account deficit of 2% of GDP for FY12, with export receipts declining by 3.2% due to fall in volumes and import payments spiking by 12.3% on the back of surging prices. Remittances inflows once again came to rescue the current account and provided a much needed funding cushion of USD 13.2 billion.

As the economy is marred by structural issues, and the regulator maintained its loose monetary stance to stimulate economic activity during the period under review, the banking sector found itself operating in a continued relaxed interest regime. Amidst these occurrences and challenges, the SBP further reduced the policy rate by 150 basis points to 10.5% in August 2012, with the objective of maintaining real interest rates close to zero.

Despite challenging conditions, by the Grace of Allah, HabibMetro continued its resilient growth trajectory while maintaining a conservative strategy, with a two-pronged focus in mobilization of current and low cost deposits and assets quality enhancement through recovery/control of NPLs.

The Bank's deposit base was augmented by a healthy rise of 12.5% as compared to December 2011 level and amounted to Rs. 208.56 billion at half-year ended June 2012. Meanwhile, gross advances increased marginally as compared to year-end 2011 level and are at Rs. 122.8 billion, while investments decreased by 18.4% to Rs. 120.42 billion as compared to year-end 2011 figures.

Meanwhile, profitability witnessed a significant year-on-year enhancement of 40% as the Bank posted a profit-before-tax of Rs. 2.76 billion at the end of June 2012, after meeting all provisioning requirement. The performance translates into post tax earnings per share (EPS) of Rs. 1.79

At June-end, Bank's net equity stands at Rs. 24.54 billion with a comfortable 14.7% capital adequacy level (Basel II) against the required 10%.

HabibMetro continues to enjoy AA+ (Double A Plus) ratings for long term and A1+ (A one plus) ratings for short term by the Pakistan Credit Rating Agency Limited (PACRA) for the 11th consecutive year. These ratings denote a very high credit quality, a very low expectation of credit risk and a very strong capacity for timely payment of financial commitments.

With the addition of 8 branches during the period, we now have a network of 171 branches, including 4 Islamic Banking branches, which provides the modern and technologically advanced services to our customers. Our call centre "HabibMetro Connect" is the Bank's centre point of contact and provides services round the clock.

As you may have already noticed, we recently launched our refreshed brand identity. This refreshed brand identity is made most prominent with its new, customer-friendly nomenclature, HABIBMETRO - an abbreviation of the bank's legal name and replacing the acronym, 'HMB.' HabibMetro now becomes the bank's name-graphic. HABIBMETRO being a historic brand with a legacy that has been at the forefront of Pakistan's banking industry and financial development. With this new brand identity, we are poised for exciting challenges and significant opportunities in the immediate and foreseeable future.

In July 2012, Mr. Ron V. Emerson resigned from the Board. The Board wishes to place on record their profound appreciation for the valuable contribution made by Mr. Emerson during his association as director with the Bank.

In the end, I would like to take this opportunity to place on record our sincere gratitude to the Ministry of Finance, State Bank of Pakistan and the Securities and Exchange Commission of Pakistan for their support and continued guidance. I would also like to thank our valued customers for their trust and support. Finally yet importantly, I would like to thank the staff of HabibMetro for their continued dedication and hard work in improving their Bank's performance.

On behalf of the Board

Sirajuddin Aziz
President & Chief Executive Officer

Karachi: August 27, 2012

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Habib Metropolitan Bank Limited as at 30 June 2012 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement and unconsolidated condensed interim statement of changes in equity for the six-months then ended (herein after referred to as the "unconsolidated condensed interim financial information"). Management is responsible for the preparation and presentation of the unconsolidated condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this unconsolidated condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures of the unconsolidated condensed interim profit and loss account and the unconsolidated condensed interim statement of comprehensive income for the quarters ended 30 June 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended 30 June 2012.

Karachi: August 27, 2012

KPMG Taseer Hadi & Co.
Chartered Accountants
Amyr Pirani

Unconsolidated Condensed Interim Statement of Financial Position (Un-audited)

As at 30 June 2012

| | Note | 30 June 2012 (Un-Audited) | 31 December, 2011 (Audited) |
|--|------|---------------------------------|-----------------------------------|
| Rupees in '000 | | | |
| ASSETS | | | |
| Cash and balances with treasury banks | | 16,251,322 | 14,233,690 |
| Balances with other banks | 5 | 3,516,370 | 3,551,591 |
| Lendings to financial institutions | 6 | 4,682,391 | 2,361,754 |
| Investments | 7 | 120,422,740 | 147,524,622 |
| Advances | 8 | 111,414,056 | 109,656,714 |
| Operating fixed assets | 9 | 3,023,680 | 3,195,886 |
| Deferred tax assets | 10 | 2,505,533 | 2,019,809 |
| Other assets | | 5,359,836 | 5,675,292 |
| | | 267,175,928 | 288,219,358 |
| LIABILITIES | | | |
| Bills payable | | 5,300,733 | 3,733,794 |
| Borrowings | 11 | 20,520,742 | 66,641,226 |
| Deposits and other accounts | 12 | 208,557,790 | 185,399,802 |
| Sub-ordinated loans | | - | - |
| Liabilities against assets subject to finance lease | | - | - |
| Deferred tax liabilities | | - | - |
| Other liabilities | | 8,082,724 | 7,871,028 |
| | | 242,461,989 | 263,645,850 |
| NET ASSETS | | 24,713,939 | 24,573,508 |
| REPRESENTED BY | | | |
| Share capital | | 10,478,315 | 10,478,315 |
| Reserves | | 9,182,718 | 8,807,718 |
| Unappropriated profit | | 4,877,793 | 4,949,767 |
| | | 24,538,826 | 24,235,800 |
| Surplus on revaluation of assets - net of deferred tax | 13 | 175,113 | 337,708 |
| | | 24,713,939 | 24,573,508 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 14 | | |

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

KASSIM PAREKH
Chairman

SIRAJUDDIN AZIZ
President &
Chief Executive Officer

BASHIR ALI MOHAMMAD
Director

TARIQ IKRAM
Director

Unconsolidated Condensed Interim
Profit and Loss Account (Un-audited)
For the half year and quarter ended 30 June 2012

HABIBMETRO

| | 30 June 2012 | | 30 June 2011 | |
|---|----------------|-----------------|---------------|-----------------|
| | Quarter ended | Half year ended | Quarter ended | Half year ended |
| | Rupees in '000 | | | |
| Mark-up / return / interest earned | 6,373,351 | 13,260,862 | 6,424,398 | 12,866,702 |
| Mark-up / return / interest expensed | (4,208,430) | (8,935,947) | (4,529,494) | (9,247,791) |
| Net mark-up / interest income | 2,164,921 | 4,324,915 | 1,894,904 | 3,618,911 |
| Provision against non-performing loans and advances | 682,275 | 1,396,170 | 833,430 | 1,640,165 |
| Provision for diminution in the value of investments | 11,410 | 16,188 | 52,829 | 50,427 |
| Bad debts written-off directly | - | - | - | - |
| | (693,685) | (1,412,358) | (886,259) | (1,690,592) |
| Net mark-up / interest income after provisions | 1,471,236 | 2,912,557 | 1,008,645 | 1,928,319 |
| Non mark-up / interest income | | | | |
| Fee, commission and brokerage income | 543,285 | 1,047,884 | 428,435 | 891,922 |
| Dividend income | 322,103 | 594,088 | 323,202 | 574,531 |
| Income from dealing in foreign currencies | 297,625 | 579,365 | 240,251 | 803,734 |
| Gain on sale / redemption of securities | 253,148 | 306,979 | 181,604 | 216,547 |
| Unrealized gain / (loss) on revaluation of investments classified as 'held for trading' | - | - | - | - |
| Other income | 79,565 | 152,973 | 58,117 | 116,468 |
| Total non mark-up / interest income | 1,495,726 | 2,681,289 | 1,231,609 | 2,603,202 |
| | 2,966,962 | 5,593,846 | 2,240,254 | 4,531,521 |
| Non mark-up / interest expenses | | | | |
| Administrative expenses | 1,369,289 | 2,755,487 | 1,306,763 | 2,503,011 |
| Other provisions / write-offs | - | - | - | - |
| Other charges | 41,051 | 79,177 | 30,275 | 60,548 |
| Total non mark-up / interest expenses | (1,410,340) | (2,834,664) | (1,337,038) | (2,563,559) |
| | 1,556,622 | 2,759,182 | 903,216 | 1,967,962 |
| Extra ordinary / unusual items | - | - | - | - |
| Profit before taxation | 1,556,622 | 2,759,182 | 903,216 | 1,967,962 |
| Taxation – Current | 655,599 | 1,233,757 | 574,267 | 1,028,652 |
| – Prior years | - | - | - | - |
| – Deferred | (135,187) | (349,348) | (347,152) | (493,545) |
| | (520,412) | (884,409) | (227,115) | (535,107) |
| Profit after taxation | 1,036,210 | 1,874,773 | 676,101 | 1,432,855 |
| Basic earnings per share (Rupees) - Note 15 | 0.99 | 1.79 | 0.65 | 1.37 |

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

KASSIM PAREKH
Chairman

SIRAJUDDIN AZIZ
President &
Chief Executive Officer

BASHIR ALI MOHAMMAD
Director

TARIQ IKRAM
Director

Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the half year and quarter ended 30 June 2012

| | 30 June 2012 | | 30 June 2011 | |
|---|------------------|------------------|----------------|------------------|
| | Quarter ended | Half year ended | Quarter ended | Half year ended |
| | Rupees in '000 | | | |
| Profit after taxation for the period | 1,036,210 | 1,874,773 | 676,101 | 1,432,855 |
| Other comprehensive income | - | - | - | - |
| Comprehensive income transferred to equity | 1,036,210 | 1,874,773 | 676,101 | 1,432,855 |
| Components of comprehensive income not reflected in equity | | | | |
| (Deficit) / surplus on revaluation of investments | (178,169) | (298,971) | (68,694) | 243,779 |
| Deferred tax on revaluation of investments | 66,177 | 136,376 | (32,870) | (126,388) |
| | (111,992) | (162,595) | (101,564) | 117,391 |
| Total comprehensive income | 924,218 | 1,712,178 | 574,537 | 1,550,246 |

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

KASSIM PAREKH
Chairman

SIRAJUDDIN AZIZ
President &
Chief Executive Officer

BASHIR ALI MOHAMMAD
Director

TARIQ IKRAM
Director

Unconsolidated Condensed Interim
Cash Flow Statement (Un-audited)
For the half year ended 30 June 2012

HABIBMETRO

| | 2012 | 30 June 2011 |
|---|---------------------|---------------------|
| | Rupees in '000 | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 2,759,182 | 1,967,962 |
| Less: Dividend income | (594,088) | (574,531) |
| | <u>2,165,094</u> | <u>1,393,431</u> |
| Adjustments | | |
| Depreciation | 223,602 | 192,333 |
| Provision against non-performing loans and advances – net | 1,396,170 | 1,640,165 |
| Provision for diminution in the value of investments – net | 13,622 | 49,440 |
| Net (gain) / loss on sale of fixed assets | (12,562) | 128 |
| | <u>1,620,832</u> | <u>1,882,066</u> |
| | 3,785,926 | 3,275,497 |
| (Increase) / decrease in operating assets | | |
| Lendings to financial institutions | (2,320,637) | (2,239,232) |
| Advances | (3,153,512) | 3,819,112 |
| Other assets | 315,456 | 817,652 |
| | <u>(5,158,693)</u> | <u>2,397,532</u> |
| Increase / (decrease) in operating liabilities | | |
| Bills payable | 1,566,939 | 2,001,134 |
| Borrowings | (44,927,125) | (14,236,794) |
| Deposits and other accounts | 23,157,988 | 21,794,934 |
| Other liabilities (excluding taxation and dividend) | 239,608 | 785,938 |
| | <u>(19,962,590)</u> | <u>10,345,212</u> |
| | (21,335,357) | 16,018,241 |
| Income tax paid | (1,264,588) | (1,208,341) |
| Net cash flows from operating activities | <u>(22,599,945)</u> | <u>14,809,900</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Net investments in available-for-sale securities | 31,264,016 | (16,269,255) |
| Net investments in held-to-maturity securities | (4,474,727) | 1,050,000 |
| Dividend received | 594,088 | 574,531 |
| Investments in operating fixed assets | (116,830) | (192,883) |
| Proceeds from sale of fixed assets | 77,996 | 912 |
| Net cash flows from investing activities | <u>27,344,543</u> | <u>(14,836,695)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend paid | (1,568,828) | (628) |
| Net cash flows from financing activities | <u>(1,568,828)</u> | <u>(628)</u> |
| Increase/ (decrease) in cash and cash equivalents | 3,175,770 | (27,423) |
| Cash and cash equivalents at beginning of the period | 15,449,954 | 15,619,091 |
| Effect of exchange rate changes on cash and cash equivalent | 279,853 | 58,771 |
| Cash and cash equivalents at end of the period | <u>18,905,577</u> | <u>15,650,439</u> |

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

KASSIM PAREKH
Chairman

SIRAJUDDIN AZIZ
President &
Chief Executive Officer

BASHIR ALI MOHAMMAD
Director

TARIQ IKRAM
Director

Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited)

For the half year ended 30 June 2012

| | Share Capital | Reserves | | | | Unappro- priated profit | Total |
|--|-------------------|------------------|----------------------|--------------------|--------------------|-------------------------------|-------------------|
| | | Share premium | Statutory reserve | Special reserve | Revenue reserve | | |
| Rupees in '000 | | | | | | | |
| Balance as at 1 January 2011 | 8,731,929 | 2,550,985 | 3,860,097 | 240,361 | 1,500,000 | 4,071,055 | 20,954,427 |
| Changes in equity for the period ended 30 June 2011 | | | | | | | |
| Total comprehensive income (profit for the period) | - | - | - | - | - | 1,432,855 | 1,432,855 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Issue of bonus shares in the ratio of 20 shares for every 100 shares held for the year ended 31 December 2010 | 1,746,386 | - | - | - | - | (1,746,386) | - |
| Transferred to statutory reserve | - | - | 287,000 | - | - | (287,000) | - |
| Balance as at 30 June 2011 | 10,478,315 | 2,550,985 | 4,147,097 | 240,361 | 1,500,000 | 3,470,524 | 22,387,282 |
| Changes in equity for the period ended 31 December 2011 | | | | | | | |
| Total comprehensive income (profit for the period) | - | - | - | - | - | 1,848,518 | 1,848,518 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Transferred to statutory reserve | - | - | 369,275 | - | - | (369,275) | - |
| Balance as at 31 December 2011 | 10,478,315 | 2,550,985 | 4,516,372 | 240,361 | 1,500,000 | 4,949,767 | 24,235,800 |
| Changes in equity for the period ended 30 June 2012 | | | | | | | |
| Total comprehensive income (profit for the period) | - | - | - | - | - | 1,874,773 | 1,874,773 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Cash dividend (Rs. 1.5 per share) | - | - | - | - | - | (1,571,747) | (1,571,747) |
| Transferred to statutory reserve | - | - | 375,000 | - | - | (375,000) | - |
| Balance as at 30 June 2012 | <u>10,478,315</u> | <u>2,550,985</u> | <u>4,891,372</u> | <u>240,361</u> | <u>1,500,000</u> | <u>4,877,793</u> | <u>24,538,826</u> |

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

KASSIM PAREKH
Chairman

SIRAJUDDIN AZIZ
President &
Chief Executive Officer

BASHIR ALI MOHAMMAD
Director

TARIQ IKRAM
Director

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the half year ended 30 June 2012

HABIBMETRO

1. STATUS AND NATURE OF BUSINESS

Habib Metropolitan Bank Limited (the Bank) was incorporated in Pakistan on 3 August 1992 as a public limited company, under the Companies Ordinance, 1984 and is engaged in commercial banking and related services. Its shares are listed on all the three stock exchanges in Pakistan. The Bank operates 138 (2011: 138) branches including 4 (2011: 4) Islamic banking branches and 27 (2011: 25) sub branches in Pakistan. The Bank is a subsidiary of Habib Bank AG Zurich - Switzerland (the holding company) which is incorporated in Switzerland.

The registered office of the Bank is situated at Spencer's Building, I. I. Chundrigar Road, Karachi.

2. BASIS OF PREPARATION

2.1 These unconsolidated condensed interim financial statements are presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. These unconsolidated condensed interim financial statements do not include all of the information required for full financial statements and should be read in conjunction with the annual unconsolidated financial statements of the Bank for the year ended 31 December 2011.

2.2 These unconsolidated condensed interim financial statements are being submitted to the shareholders in accordance with the requirement of section 245 of the Companies Ordinance 1984. These unconsolidated condensed interim financial statements are unaudited but subject to limited scope review by the auditors.

3. ACCOUNTING POLICIES AND ESTIMATES

3.1 The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the annual unconsolidated financial statements of the Bank for the year ended 31 December 2011.

3.2 The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the annual unconsolidated financial statements of the Bank for the year ended 31 December 2011.

4. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with that disclosed in the annual unconsolidated financial statements of the Bank for the year ended 31 December 2011.

| 5 BALANCES WITH OTHER BANKS | 30 June 2012 (Un-Audited) | 31 December 2011 (Audited) |
|--|---------------------------------|----------------------------------|
| | Rupees in '000 | |
| In Pakistan | | |
| Current accounts | 331,090 | 309,526 |
| Deposit accounts | 15,013 | 16,491 |
| | 346,103 | 326,017 |
| Outside Pakistan | | |
| Current accounts | 1,941,133 | 976,932 |
| Deposit accounts | 1,229,134 | 2,248,642 |
| | 3,170,267 | 3,225,574 |
| | 3,516,370 | 3,551,591 |
| 6. LENDINGS TO FINANCIAL INSTITUTIONS | | |
| Call money lendings | 1,500,000 | 1,000,000 |
| Repurchase agreement lendings (Reverse repo) | 3,182,391 | 1,361,754 |
| | 4,682,391 | 2,361,754 |

HABIBMETRO

| 7. INVESTMENTS | | 30 June 2012 (Un-Audited) | | | 31 December 2011 (Audited) | | |
|--------------------------------------|--------------------|------------------------------|--------------------|--------------------|-------------------------------|--------------------|--|
| Note | Held by Bank | Given as collateral | Total | Held by Bank | Given as collateral | Total | |
| Rupees in '000 | | | | | | | |
| Available-for-sale securities | | | | | | | |
| | 50,334,729 | – | 50,334,729 | 56,882,058 | 35,529,021 | 92,411,079 | |
| | 21,448,133 | – | 21,448,133 | 17,859,019 | 4,056,656 | 21,915,675 | |
| | 520,290 | – | 520,290 | 581,500 | – | 581,500 | |
| | 104,205 | – | 104,205 | 123,101 | – | 123,101 | |
| | 40,000 | – | 40,000 | 40,000 | – | 40,000 | |
| | 1,911,678 | – | 1,911,678 | 2,049,093 | – | 2,049,093 | |
| | 248,098 | – | 248,098 | 248,097 | – | 248,097 | |
| | 25,029,864 | – | 25,029,864 | 16,920,026 | – | 16,920,026 | |
| | 16,126,852 | – | 16,126,852 | 12,740,730 | – | 12,740,730 | |
| | 68,436 | – | 68,436 | 67,000 | – | 67,000 | |
| | <u>115,832,285</u> | <u>–</u> | <u>115,832,285</u> | <u>107,510,624</u> | <u>39,585,677</u> | <u>147,096,301</u> | |
| Held-to-maturity securities | | | | | | | |
| | 4,474,727 | – | 4,474,727 | – | – | – | |
| Subsidiary | | | | | | | |
| | 300,000 | – | 300,000 | 300,000 | – | 300,000 | |
| | <u>120,607,012</u> | <u>–</u> | <u>120,607,012</u> | <u>107,810,624</u> | <u>39,585,677</u> | <u>147,396,301</u> | |
| | (352,344) | – | (352,344) | (338,722) | – | (338,722) | |
| | <u>120,254,668</u> | <u>–</u> | <u>120,254,668</u> | <u>107,471,902</u> | <u>39,585,677</u> | <u>147,057,579</u> | |
| | 168,072 | – | 168,072 | 729,113 | (262,070) | 467,043 | |
| | <u>120,422,740</u> | <u>–</u> | <u>120,422,740</u> | <u>108,201,015</u> | <u>39,323,607</u> | <u>147,524,622</u> | |

| | Notes | 30 June 2012 (Un-Audited) | 31 December 2011 (Audited) |
|--|-------|---------------------------------|----------------------------------|
| Rupees in '000 | | | |
| 7.1 Particulars of provision for diminution in the value of investments | | | |
| Opening balance | | 338,722 | 255,932 |
| Charge for the period / year | | 16,188 | 94,640 |
| Reversal of provision upon disposal of investments | | (2,566) | (11,850) |
| Closing balance | | <u>352,344</u> | <u>338,722</u> |
| 8. ADVANCES | | | |
| Loans, cash credits, running finances, etc. | | | |
| In Pakistan | | 101,104,828 | 98,115,904 |
| Net investments in finance lease / ijarah financing | | | |
| In Pakistan | | 529,339 | 561,970 |
| Net assets in ijarah under IFAS 2 | | 566,318 | 825,452 |
| Bills discounted and purchased (excluding Market Treasury Bills) | | | |
| Payable in Pakistan | | 5,497,366 | 5,489,601 |
| Payable outside Pakistan | | 15,067,717 | 14,686,721 |
| | | <u>20,565,083</u> | <u>20,176,322</u> |
| Advances - gross | | <u>122,765,568</u> | <u>119,679,648</u> |
| Provision against non-performing advances | | | |
| - specific | | (11,166,456) | (9,928,671) |
| - general | | (185,056) | (94,263) |
| | 8.3 | <u>(11,351,512)</u> | <u>(10,022,934)</u> |
| Advances - net of provisions | | <u>111,414,056</u> | <u>109,656,714</u> |

8.1 Advances include Rs. 16,770,771 thousand (31 December 2011: Rs 15,427,848 thousand) which have been placed under non-performing status as detailed below:

| Category of Classification | 30 June 2012 (Un-Audited) | | |
|----------------------------|---------------------------|--------------------|-------------------|
| | Classified advances | Provision Required | Provision Held |
| | Rupees in '000's | | |
| Substandard | 370,735 | 55,037 | 55,037 |
| Doubtful | 1,122,702 | 226,643 | 226,643 |
| Loss | 15,277,334 | 10,884,776 | 10,884,776 |
| | <u>16,770,771</u> | <u>11,166,456</u> | <u>11,166,456</u> |

| Category of Classification | 31 December 2011 (Audited) | | |
|----------------------------|----------------------------|--------------------|------------------|
| | Classified advances | Provision Required | Provision Held |
| | Rupees in '000's | | |
| Substandard | 435,122 | 84,115 | 84,115 |
| Doubtful | 2,081,269 | 583,816 | 583,816 |
| Loss | 12,911,457 | 9,260,740 | 9,260,740 |
| | <u>15,427,848</u> | <u>9,928,671</u> | <u>9,928,671</u> |

8.2 In accordance with BSD Circular No. 1 dated 21 October 2011 issued by the State Bank of Pakistan, during the half year, the Bank has further availed the benefit of FSV against the non-performing advances (excluding consumer housing finance portfolio). Had this benefit of FSV not been taken by the Bank, the specific provision against non-performing advances for the half year would have been higher by Rs. 630.315 million (30 June 2011: Rs. 98.812 million) and profit after taxation for the half year ended 30 June 2012 would have been lower by approximately Rs. 409.705 million (30 June 2011: Rs. 64.228 million). As of 30 June 2012, had the benefit of FSVs not taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 4,658.503 million (31 December 2011: Rs. 4,028.188 million) and accumulated profit would have been lower by Rs. 3,028.027 million (31 December 2011: Rs. 2,618.322 million). This amount of Rs. 3,028.027 million is not available for the distribution of cash and stock dividend to the shareholders.

8.3 Particulars of specific provision against non-performing advances:

| | 30 June 2012 (Un-Audited) | | | 31 December 2011 (Audited) | | |
|----------------------------------|---------------------------|----------------|-------------------|----------------------------|---------------|-------------------|
| | Specific | General | Total | Specific | General | Total |
| | Rupees in '000 | | | | | |
| Opening balance | 9,928,671 | 94,263 | 10,022,934 | 7,463,452 | 58,919 | 7,522,371 |
| Charge for the period / year | 1,575,518 | 90,793 | 1,666,311 | 3,840,767 | 35,344 | 3,876,111 |
| Reversals | (270,141) | - | (270,141) | (1,216,149) | - | (1,216,149) |
| Net charge for the period / year | 1,305,377 | 90,793 | 1,396,170 | 2,624,618 | 35,344 | 2,659,962 |
| Amount written off | (67,592) | - | (67,592) | (159,399) | - | (159,399) |
| Closing balance | <u>11,166,456</u> | <u>185,056</u> | <u>11,351,512</u> | <u>9,928,671</u> | <u>94,263</u> | <u>10,022,934</u> |

8.4 General provision includes provision of Rs. 8.101 million (31 December 2011: Rs. 19.610 million) made against consumer portfolio in accordance with the Prudential Regulations issued by SBP at 1.5% of fully secured and at 5% of the unsecured consumer portfolio.

9. OPERATING FIXED ASSETS

During the current period, additions and disposals in operating fixed assets amounted to Rs. 97.129 million (30 June 2011: Rs. 97.347 million) and Rs. 65.434 million (30 June 2011: Rs. 1.040 million) respectively.

10. DEFERRED TAX ASSETS

Through Finance Act, 2010 certain amendments have been introduced in Seventh Schedule to the Income Tax Ordinance, 2001. The provision for advances & off balance sheet items are allowed at 5% of total gross advances for consumer and SMEs (as defined in SBP Prudential Regulation). The provision for advances and off balance sheet items other than those falling in definition of consumer & SMEs are allowed upto 1% of such total gross advances. Further Rule 8(A) has been introduced in Seventh Schedule to allow for amounts provided for in tax year 2008 and prior to said tax year for doubtful debts, which were neither claimed nor allowed as tax deductible in any year shall be allowed as deduction in tax year in which such doubtful debts are written off. With reference to allowability of provision, the management has carried out an exercise and concluded that full deduction of provision in succeeding years would be allowed and accordingly recognized deferred tax asset on such provision amounting to Rs. 2,863,272 thousand. (31 December 2011: Rs. 2,549,617 thousand).

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| | 30 June 2012 | 31 December 2011 |
|---|-------------------------|---------------------|
| | (Un-Audited) | (Audited) |
| | Rupees in '000 | |
| 11. BORROWINGS | | |
| Secured | | |
| Borrowings from State Bank of Pakistan | | |
| – under export refinance scheme | 17,078,378 | 20,573,018 |
| – under long term financing – export oriented projects | 496,600 | 701,047 |
| – under long term financing facility – locally manufactured plant and machinery | 1,989,100 | 1,908,929 |
| | 19,564,078 | 23,182,994 |
| Repurchase agreement borrowings | – | 39,270,858 |
| | 19,564,078 | 62,453,852 |
| Unsecured | | |
| Call borrowings | – | 2,041,954 |
| Overdrawn nostro accounts | 761,447 | 2,032,902 |
| Overdrawn local bank accounts | 100,668 | 22,572 |
| Other short term borrowing | 94,549 | 89,946 |
| | 956,664 | 4,187,374 |
| | 20,520,742 | 66,641,226 |
| 12. DEPOSITS AND OTHER ACCOUNTS | | |
| Customers | | |
| Fixed deposits | 91,180,096 | 82,159,532 |
| Saving deposits | 53,896,098 | 44,166,722 |
| Current accounts (non-remunerative) | 49,637,119 | 45,008,091 |
| Others | 2,125,459 | 2,200,862 |
| | 196,838,772 | 173,535,207 |
| Financial Institutions | | |
| Remunerative deposits | 11,275,578 | 11,588,193 |
| Non-remunerative deposits | 443,440 | 276,402 |
| | 11,719,018 | 11,864,595 |
| | 208,557,790 | 185,399,802 |

| | 30 June 2012 (Un-Audited) | 31 December 2011 (Audited) |
|--|---------------------------------|----------------------------------|
| Rupees in '000 | | |
| 13. SURPLUS ON REVALUATION OF ASSETS - NET OF DEFERRED TAX | | |
| Available-for-sale securities: | | |
| Federal Government Securities | | |
| Market Treasury Bills | 50,324 | 324,026 |
| Pakistan Investment Bonds | (135,427) | (32,953) |
| GOP Ijarah Sukuk | 3,864 | 66,457 |
| Fully paid-up ordinary shares – Listed | 114,289 | 27,926 |
| Term Finance Certificates | | |
| Listed | (4,736) | (17,787) |
| Sukuk Certificates / Bonds | (9,418) | (9,219) |
| Mutual funds | | |
| Open end | 118,271 | 83,801 |
| Close end | 30,905 | 24,792 |
| | <u>168,072</u> | <u>467,043</u> |
| Related deferred tax asset / (liability) - net | 7,041 | (129,335) |
| | <u>175,113</u> | <u>337,708</u> |
| 14. CONTINGENCIES AND COMMITMENTS | | |
| 14.1 Direct credit substitutes | | |
| Bank guarantees of indebtedness in favour of: | | |
| – Banking companies and other financial institutions | 65,177 | 71,012 |
| 14.2 Transaction-related contingent liabilities | | |
| Includes performance bonds, bid bonds, advance payment guarantees and shipping guarantees favouring: | | |
| i) Government | 10,912,948 | 10,115,047 |
| ii) Banking companies and other financial institutions | 37,571 | 51,928 |
| iii) Others | 2,449,122 | 3,193,794 |
| | <u>13,399,641</u> | <u>13,360,769</u> |
| 14.3 Trade-related contingent liabilities | | |
| Letters of credit | 42,845,218 | 50,815,273 |
| Acceptances | 11,324,407 | 12,360,730 |

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| | 30 June 2012 (Un-Audited) | 31 December 2011 (Audited) |
|---|---------------------------------|----------------------------------|
| Rupees in '000 | | |
| 14.4 Commitments in respect of forward exchange contracts | | |
| Purchase | <u>55,200,001</u> | <u>54,377,083</u> |
| Sale | <u>63,081,561</u> | <u>62,519,824</u> |
| 14.5 Commitments in respect of operating leases | | |
| Not later than one year | <u>10,648</u> | <u>36,841</u> |
| Later than one year and not later than five years | <u>4,813</u> | <u>23,831</u> |
| | <u>15,461</u> | <u>60,672</u> |
| 14.6 Commitments for the acquisition of operating fixed assets | <u>41,012</u> | <u>9,105</u> |
| 14.7 Claims against the Bank not acknowledged as debt | <u>2,498,831</u> | <u>2,424,410</u> |
| 14.8 Commitments in respect of forward lendings | | |

The Bank makes 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.

14.9 Taxation

Income tax assessments of the Bank have been finalised upto the tax year 2008 (corresponding to the accounting year ended 31 December 2007). Certain appeals are pending for the tax years 2009, 2010 and 2011 (corresponding to the accounting years ended 31 December 2008, 2009 and 2010). However, adequate provisions are being held by the Bank.

15. BASIC EARNINGS PER SHARE

| | 30 June 2012 | | 30 June 2011 | |
|--|------------------|------------------|------------------|------------------|
| | Quarter ended | Half year ended | Quarter ended | Half year ended |
| (Un-Audited) | | | | |
| Rupees in '000 | | | | |
| Profit after taxation | <u>1,036,210</u> | <u>1,874,773</u> | <u>676,101</u> | <u>1,432,855</u> |
| Number in '000 | | | | |
| Weighted average number of ordinary shares | <u>1,047,831</u> | <u>1,047,831</u> | <u>1,047,831</u> | <u>1,047,831</u> |
| Rupees | | | | |
| Basic earnings per share | <u>0.99</u> | <u>1.79</u> | <u>0.65</u> | <u>1.37</u> |

16. TRANSACTIONS WITH RELATED PARTIES

The Bank has related party relationships with its holding company, subsidiary, 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.

| | 30 June 2012 (Un-Audited) | | | | | | |
|--|---------------------------|----------------|------------------|--------------------------|----------------|--------------------------|------------------|
| | Holding Company | Subsidiary | Associates | Key Management Personnel | Directors' | Retirement Benefit Plans | Total |
| | Rupees in '000 | | | | | | |
| Deposits | | | | | | | |
| At beginning of the period | 178,264 | 118,586 | 4,880,012 | 60,025 | 73,571 | 1,548,662 | 6,859,120 |
| Received during the period | 7,619,833 | 29,676,470 | 406,534,460 | 173,194 | 172,397 | 2,139,319 | 446,315,673 |
| Repaid during the period | (7,672,727) | (29,683,832) | (404,606,233) | (166,793) | (144,033) | (2,007,906) | (444,281,524) |
| At end of the period | <u>125,370</u> | <u>111,224</u> | <u>6,808,239</u> | <u>66,426</u> | <u>101,935</u> | <u>1,680,075</u> | <u>8,893,269</u> |
| Advances | | | | | | | |
| At beginning of the period | - | - | 1,776,952 | 30,896 | - | - | 1,807,848 |
| Disbursed during the period | - | - | 18,209,964 | 128 | - | - | 18,210,092 |
| Recovered during the period | - | - | (18,374,117) | (9,521) | - | - | (18,383,638) |
| At end of the period | <u>-</u> | <u>-</u> | <u>1,612,799</u> | <u>21,503</u> | <u>-</u> | <u>-</u> | <u>1,634,302</u> |
| Bank balances held by the Bank | <u>324,550</u> | <u>-</u> | <u>2,059,669</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,384,219</u> |
| Overdrawn bank balances held by the Bank | <u>-</u> | <u>-</u> | <u>(223,518)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(223,518)</u> |
| Mark-up/return/interest receivable | <u>-</u> | <u>-</u> | <u>21,441</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>21,441</u> |
| Mark-up/return/interest payable | <u>-</u> | <u>840</u> | <u>63,657</u> | <u>552</u> | <u>880</u> | <u>96,093</u> | <u>162,022</u> |
| Management fee payable for technical and consultancy services* | <u>222,800</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>222,800</u> |
| Prepayments /Advance deposits | <u>-</u> | <u>-</u> | <u>56,707</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>56,707</u> |
| Transaction-related contingent liabilities | <u>-</u> | <u>-</u> | <u>1,449,297</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,449,297</u> |
| Trade-related contingent liabilities | <u>-</u> | <u>-</u> | <u>1,622,128</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,622,128</u> |
| Advance received against prepaid card | <u>-</u> | <u>-</u> | <u>10,112</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>10,112</u> |
| Advance received against insurance premium | <u>-</u> | <u>-</u> | <u>316</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>316</u> |

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

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31 December 2011 (Audited)

| | Holding Company | Subsidiary | Associates | Key Management Personnel | Directors' | Retirement Benefit Plans | Total |
|--|-----------------|----------------|--------------------|--------------------------|---------------|--------------------------|--------------------|
| | Rupees in '000 | | | | | | |
| Deposits | | | | | | | |
| At beginning of the period | 93,074 | 143,544 | 3,220,383 | 60,493 | 64,546 | 1,233,885 | 4,815,925 |
| Received during the period | 14,870,118 | 63,730,517 | 593,595,088 | 279,750 | 946,006 | 3,443,040 | 676,864,519 |
| Repaid during the period | (14,784,928) | (63,755,475) | (591,935,459) | (280,218) | (936,981) | (3,128,263) | (674,821,324) |
| At end of the period | <u>178,264</u> | <u>118,586</u> | <u>4,880,012</u> | <u>60,025</u> | <u>73,571</u> | <u>1,548,662</u> | <u>6,859,120</u> |
| Advances | | | | | | | |
| At beginning of the period | - | - | 2,198,466 | 22,276 | - | - | 2,220,742 |
| Disbursed during the period | - | - | 63,913,349 | 14,468 | - | - | 63,927,817 |
| Recovered during the period | - | - | (64,334,863) | (5,848) | - | - | (64,340,711) |
| At end of the period | <u>-</u> | <u>-</u> | <u>1,776,952</u> | <u>30,896</u> | <u>-</u> | <u>-</u> | <u>1,807,848</u> |
| Bank balances held by the Bank | <u>197,044</u> | <u>-</u> | <u>31,097</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>228,141</u> |
| Overdrawn bank balances held by the Bank | <u>-</u> | <u>-</u> | <u>(1,049,728)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,049,728)</u> |
| Mark-up/return/interest receivable | <u>-</u> | <u>-</u> | <u>10,937</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>10,937</u> |
| Mark-up/return/interest payable | <u>-</u> | <u>983</u> | <u>60,039</u> | <u>922</u> | <u>694</u> | <u>109,396</u> | <u>172,034</u> |
| Management fee payable for technical and consultancy services* | <u>143,500</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>143,500</u> |
| Prepayments /Advance deposits | <u>-</u> | <u>-</u> | <u>18,190</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>18,190</u> |
| Transaction-related contingent liabilities | <u>-</u> | <u>25,000</u> | <u>1,402,878</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,427,878</u> |
| Trade-related contingent liabilities | <u>-</u> | <u>-</u> | <u>1,706,015</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,706,015</u> |
| Advance received against prepaid card | <u>-</u> | <u>-</u> | <u>1,957</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,957</u> |
| Advance received against insurance premium | <u>-</u> | <u>-</u> | <u>363</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>363</u> |

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

| Transactions during the period | For the period ended 30 June 2012 (Un-Audited) | | | | | | Total |
|--|--|------------|------------|--------------------------|------------|--------------------------|---------|
| | Holding Company | Subsidiary | Associates | Key Management Personnel | Directors' | Retirement Benefit Plans | |
| | Rupees in '000 | | | | | | |
| Mark-up/return/interest earned | - | - | 59,539 | 865 | - | - | 60,404 |
| Mark-up/return/interest expensed | - | 5,852 | 312,275 | 719 | 3,905 | 143,791 | 466,542 |
| Commission/brokerage/bank charges recovered | - | 208 | 5,368 | - | - | - | 5,576 |
| Rent income | - | 600 | 540 | - | - | - | 1,140 |
| Gain on sale of fixed assets | - | - | - | 820 | - | - | 820 |
| Salaries and allowances | - | - | - | 60,182 | - | - | 60,182 |
| Directors' fees | - | - | - | - | 3,060 | - | 3,060 |
| Contribution to defined benefit plan | - | - | - | - | - | 39,000 | 39,000 |
| Contribution to defined contribution plan | - | - | - | - | - | 51,103 | 51,103 |
| Bank charges paid | 1,097 | 101 | 685 | - | - | - | 1,883 |
| Rent expenses | - | - | 8,977 | - | - | - | 8,977 |
| Insurance premium expenses | - | - | 23,880 | - | - | - | 23,880 |
| Maintenance, Electricity, Stationary & Entertainment | - | - | 19,592 | - | - | - | 19,592 |
| Management fee expense for technical and consultancy services* | 79,300 | - | - | - | - | - | 79,300 |
| Donation | - | - | 960 | - | - | - | 960 |
| Professional / other charges | - | - | 4,349 | - | - | - | 4,349 |

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

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| Transactions during the period | For the period ended 30 June 2011 (Un-Audited) | | | | | | Total |
|--|--|------------|------------|--------------------------|------------|--------------------------|---------|
| | Holding Company | Subsidiary | Associates | Key Management Personnel | Directors' | Retirement Benefit Plans | |
| | Rupees in '000 | | | | | | |
| Mark-up/return/interest earned | - | - | 59,111 | 703 | - | - | 59,814 |
| Mark-up/return/interest expensed | - | 6,085 | 279,399 | 4,263 | 3,074 | 122,080 | 414,901 |
| Commission/brokerage/bank charges recovered | - | 233 | 5,160 | - | - | - | 5,393 |
| Rent income | - | 600 | 491 | - | - | - | 1,091 |
| Loss on sale of fixed assets | - | - | - | (4) | - | - | (4) |
| Salaries and allowances | - | - | - | 56,931 | - | - | 56,931 |
| Directors' fees | - | - | - | - | 2,550 | - | 2,550 |
| Contribution to defined benefit plan | - | - | - | - | - | 36,000 | 36,000 |
| Contribution to defined contribution plan | - | - | - | - | - | 43,327 | 43,327 |
| Bank charges paid | 1,131 | 93 | 7,738 | - | - | - | 8,962 |
| Rent expenses | - | - | 8,389 | - | - | - | 8,389 |
| Insurance premium expenses | - | - | 16,132 | - | - | - | 16,132 |
| Maintenance, Electricity, Stationary & Entertainment | - | - | 15,998 | - | - | - | 15,998 |
| Management fee expense for technical and consultancy services* | 95,159 | - | - | - | - | - | 95,159 |
| Donation | - | - | 960 | - | - | - | 960 |
| Professional / other charges | - | - | 6,680 | - | - | - | 6,680 |

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

17. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment result for the period are as follows:

| | 30 June 2012 (Un-Audited) | | | |
|------------------------|---------------------------|--------------------|--------------------|--------------------|
| | Trade & Sales | Retail Banking | Commercial Banking | Total |
| | Rupees in '000 | | | |
| Revenues* | 7,706,714 | 4,234,910 | 7,277,401 | 19,219,025 |
| Expenses* | (6,259,078) | (3,824,383) | (6,376,382) | (16,459,843) |
| Net Income | <u>1,447,636</u> | <u>410,527</u> | <u>901,019</u> | <u>2,759,182</u> |
| Segment assets (gross) | <u>137,893,317</u> | <u>1,100,533</u> | <u>128,182,078</u> | <u>267,175,928</u> |
| Segment liabilities | <u>4,457,746</u> | <u>107,504,601</u> | <u>130,499,642</u> | <u>242,461,989</u> |
| | 30 June 2011 (Un-Audited) | | | |
| | Trade & Sales | Retail Banking | Commercial Banking | Total |
| | Rupees in '000 | | | |
| Revenues* | 7,047,278 | 4,238,740 | 7,159,302 | 18,445,320 |
| Expenses* | (5,954,968) | (4,090,335) | (6,432,055) | (16,477,358) |
| Net Income | <u>1,092,310</u> | <u>148,405</u> | <u>727,247</u> | <u>1,967,962</u> |
| Segment assets (gross) | <u>131,421,974</u> | <u>1,201,119</u> | <u>131,684,187</u> | <u>264,307,280</u> |
| Segment liabilities | <u>24,435,614</u> | <u>101,669,105</u> | <u>116,344,182</u> | <u>242,448,901</u> |

*Includes inter-segment revenues and expenses.

18. KEY ISLAMIC BANKING OPERATIONS

18.1 The Bank is operating 4 (2011: 4) Islamic banking branches in Pakistan. The balance sheet of these branches as at 30 June 2012 is as follows:

| BALANCE SHEET | 30 June 2012 | 31 December 2011 |
|---|-------------------------|---------------------|
| | (Un-Audited) | (Audited) |
| | Rupees in '000 | |
| ASSETS | | |
| Cash and balances with treasury banks | 857,561 | 865,436 |
| Balances with and due from financial institutions | - | - |
| Investments | 14,630,839 | 10,050,774 |
| Financing and receivables | | |
| - Murabaha | 3,573,940 | 4,377,344 |
| - Ijara | 659,672 | 932,855 |
| - Diminishing Musharaka | 693,541 | 560,639 |
| - Export Refinance Murabaha | 450,000 | 564,352 |
| - Foreign Documentary Bills Purchased | - | 10,935 |
| | 5,377,153 | 6,446,125 |
| Other assets | 734,755 | 1,247,975 |
| | 21,600,308 | 18,610,310 |
| LIABILITIES | | |
| Bills payable | 112,922 | 123,105 |
| Deposits and other accounts | | |
| - Current accounts | 1,527,418 | 1,635,512 |
| - Saving deposits | 3,580,408 | 3,108,458 |
| - Fixed deposits | 8,618,694 | 6,999,909 |
| - Deposits from financial institutions - remunerative | 4,727,099 | 2,996,860 |
| - Deposits from financial institutions - non-remunerative | 2,366 | 6,735 |
| | 18,455,985 | 14,747,474 |
| Borrowings | 480,000 | 564,352 |
| Due to head office | 466,348 | 597,648 |
| Other liabilities | 842,909 | 1,008,498 |
| | 20,358,164 | 17,041,077 |
| NET ASSETS | 1,242,144 | 1,569,233 |
| REPRESENTED BY | | |
| Islamic banking fund | 1,002,364 | 1,002,249 |
| Unappropriated profit | 249,862 | 538,933 |
| | 1,252,226 | 1,541,182 |
| (Deficit)/Surplus on revaluation of assets | (10,082) | 28,051 |
| | 1,242,144 | 1,569,233 |

19. GENERAL

The figures have been rounded off to the nearest thousand rupees.

20. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue by the Board of Directors on 27 August 2012.

KASSIM PAREKH
Chairman

SIRAJUDDIN AZIZ
President &
Chief Executive Officer

BASHIR ALI MOHAMMAD
Director

TARIQ IKRAM
Director