

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

هَذَا مِنْ فَضْلِ رَبِّي



**HABIB METROPOLITAN BANK**

[ Subsidiary of Habib Bank AG Zurich ]

# Our Vision

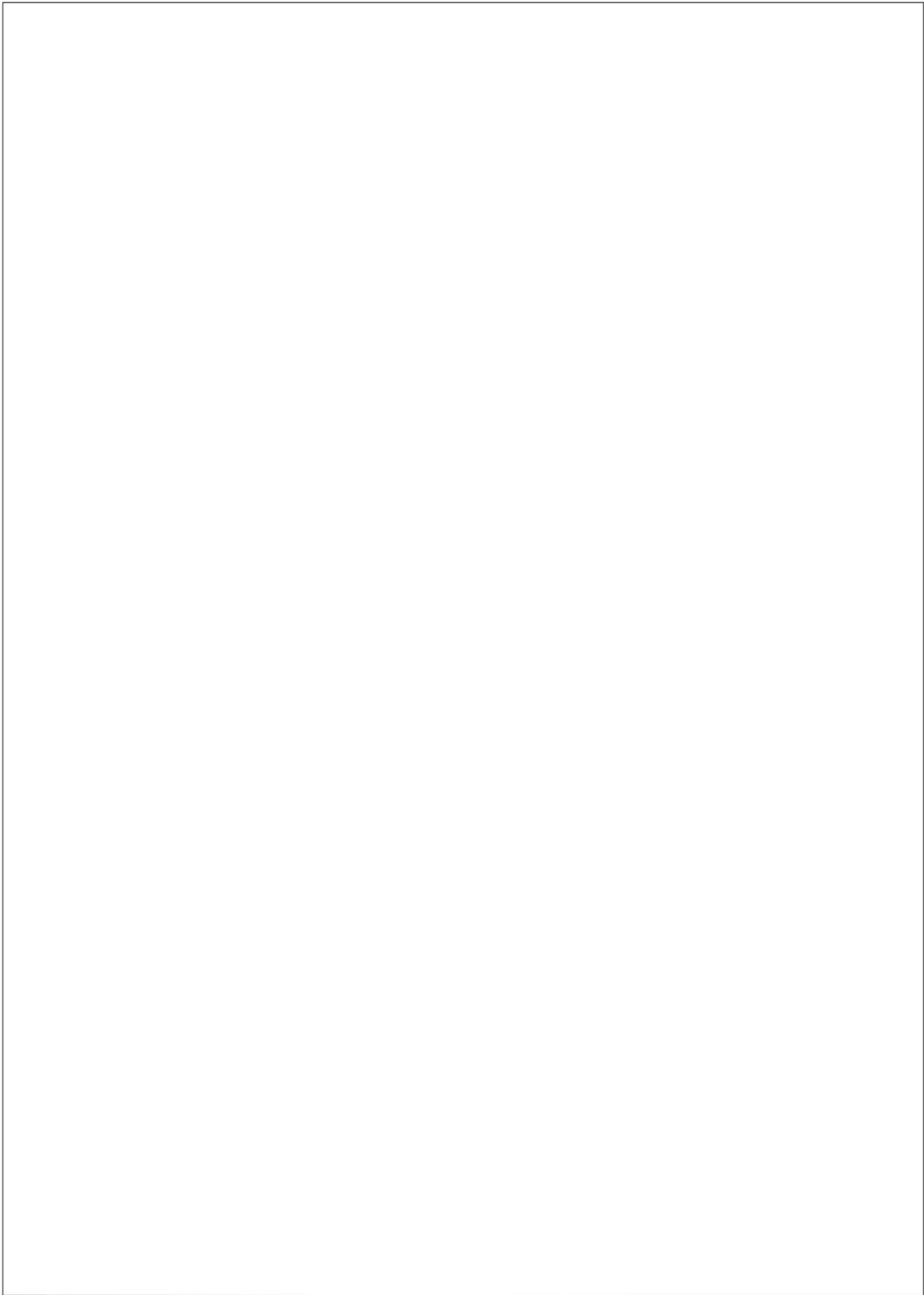


Based on a foundation of trust,  
to be the most respected financial institution,  
delighting customers with excellence,  
enjoying the loyalty of a dedicated team,  
meeting the expectations of regulators and  
participating in social causes while  
providing superior returns to shareholders



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## 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

Sohail Hasan

Syed Zubair Ahmad Shah

Tariq Ikram

\* Executive Director

#### AUDIT COMMITTEE

Ali S. Habib

Kassim Parekh

Tariq Ikram

#### CREDIT COMMITTEE

Kassim Parekh

Mohamedali R. Habib

Muhammad H. Habib

#### HUMAN RESOURCE & REMUNERATION COMMITTEE

Kassim Parekh

Mohamedali R. Habib

Tariq Ikram

#### COMPANY SECRETARY

Muhammad Imran

#### SHARE REGISTRAR

Noble Computer Services (Private) Limited

First Floor, Siddiqsons Tower,

3-Jinnah C. H. Society, Main Shahrah-e-Faisal,

Karachi 75350.

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## DIRECTORS' REVIEW

On behalf of the Board of Directors of Habib Metropolitan Bank, I am pleased to present un-audited accounts for the nine months ended September 30, 2013.

The economy continued to exhibit lackluster growth as substantial interest payments, escalating domestic debt burden and prevailing energy shortages continued to negate the fiscal disciplinary measures adopted by the Government.

Continuation of the declining trend in domestic and foreign investments led to increase in fiscal borrowings - domestic debt augmented by 24.6 percent in FY13 as domestic debts reached Rs. 9.5 trillion in June '13. Meanwhile, settlement of outstanding energy circular debt and reduction in electricity tariff subsidies offered some reprieve to the fiscal distress and demonstrated remedial intentions. The average CPI inflation came down to 7.4 percent. The government has announced increase in electricity tariff, which in turn has impacted the inflationary prospects and expectation; the year-on-year CPI inflation has risen to 8.5 percent in August 2013, against 5.9 percent in June 2013.

The SBP's foreign exchange reserves were recorded at USD 5.2 bn in the beginning of September 2013. The rupee has depreciated by approximately 5.0 percent since the beginning of FY'14. With a new IMF program which brings prospects of an augmented foreign private investment inflows - if materialized, this will ease pressure in the foreign exchange market.

Some private sector businesses exhibited a growth in loans in FY13 due to the relaxed monetary stance and interest regime. The Large-Scale Manufacturing (LSM) sector grew by 4.3 percent in FY13 compared to an average growth of 0.3 percent in the previous five years. However, this enhancement can be mainly attributed to fulfillment of working capital requirements, as credit availed for fixed investments witnessed a decline. In addition to this, the prevailing energy shortages and security concerns contributed towards a muted private credit demand.

During the current quarter, SBP increased the policy rate by 50 bps to 9.5 percent in September, 2013. Moreover, the SBP has linked the minimum savings deposit rate with the policy rate. This will result in higher costs of deposits for the sector.

Against this backdrop, by the Grace of Allah, HabibMetro continues its steady performance. Bank's deposit increased to Rs. 224 bn as against Rs. 218 bn and advances increased to Rs. 112 bn as against Rs. 107bn at previous year-end.

The Bank posted a Profit before Tax (PBT) of Rs. 4,069 mn for the nine months ended September 30, 2013 vs. Rs. 4,143 mn in the same period last year with post-tax earnings per share of Rs. 2.50. At end of current period, the

## HABIBMETRO

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Bank's net equity stands at Rs. 26.5 bn with a comfortable 16.8% capital adequacy level (Basel II) against the required 10%.

The Bank 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 12th 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 14 new branches till the end of the period under review, we now have a network of 197 branches, including 5 Islamic Banking branches, which provide the modern and technologically advanced services to our customers. After the completion of Branch Expansion Plan 2013 by the end of the current year, our Bank's outreach will expand to 49 cities across Pakistan. Our call center "HabibMetro Connect" is the Bank's center point of contact and provides services round the clock.

Recently, our Advisor to the Board and the Management of the Bank Mr. H. M. Habib passed away. The Board expresses profound grief and offers its heartfelt condolences to his family. The Board also wishes to place on record their appreciation for the invaluable contribution made by Mr. H M Habib during his association with the Bank as an Advisor. The Board greatly benefited from his banking experience and his absence will be felt.

Finally, 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. Also, yet equally 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: 23 October 2013

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT 30 SEPTEMBER 2013

	Note	30 September 2013 (Un-Audited)	31 December, 2012 (Audited)
		Rupees in '000 (Restated)	
<b>ASSETS</b>			
Cash and balances with treasury banks		20,558,752	16,918,780
Balances with other banks	5	2,740,495	5,151,116
Lendings to financial institutions	6	3,933,419	-
Investments	7	130,741,865	160,849,741
Advances	8	111,900,452	106,910,727
Operating fixed assets	9	2,996,666	2,999,673
Deferred tax assets	10	3,583,888	2,310,580
Other assets		7,116,655	5,740,805
		<b>283,572,192</b>	<b>300,881,422</b>
<b>LIABILITIES</b>			
Bills payable		5,350,339	4,092,268
Borrowings	11	17,602,854	41,569,169
Deposits and other accounts	12	224,098,358	217,797,754
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		9,869,605	9,235,371
		<b>256,921,156</b>	<b>272,694,562</b>
<b>NET ASSETS</b>		<b>26,651,036</b>	<b>28,186,860</b>
<b>REPRESENTED BY</b>			
Share capital		10,478,315	10,478,315
Reserves		10,011,277	9,488,277
Unappropriated profit		6,024,106	6,034,063
		<b>26,513,698</b>	<b>26,000,655</b>
Surplus on revaluation of assets - net of deferred tax	13	137,338	2,186,205
		<b>26,651,036</b>	<b>28,186,860</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	14		

The annexed notes 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

**KASSIM PAREKH**  
Chairman

**SIRAJUDDIN AZIZ**  
President &  
Chief Executive Officer

**TARIQ IKRAM**  
Director

**BASHIR ALI MOHAMMAD**  
Director

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

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2013

	Note	30 September 2013		30 September 2012	
		Quarter ended	Nine months ended	Quarter ended	Nine months ended
Rupees in '000					
(Restated) (Restated)					
<b>Mark-up / return / interest earned</b>		5,712,740	17,429,838	7,030,445	20,291,552
<b>Mark-up / return / interest expensed</b>		(3,427,672)	(11,143,681)	(4,896,879)	(13,832,826)
Net mark-up / interest income		2,285,068	6,286,157	2,133,566	6,458,726
Provision against non-performing loans and advances	8.3	298,925	1,334,563	631,633	2,027,803
Provision for diminution in the value of investments	7.1	(2,288)	(2,993)	(10,469)	5,719
Bad debts written-off directly		-	-	-	-
		(296,637)	(1,331,570)	(621,164)	(2,033,522)
Net mark-up / interest income after provisions		1,988,431	4,954,587	1,512,402	4,425,204
<b>Non mark-up / interest income</b>					
Fee, commission and brokerage income		555,463	1,655,523	521,501	1,594,449
Dividend income		3,123	42,675	19,632	613,720
Income from dealing in foreign currencies		199,502	737,678	422,096	1,001,461
Gain on sale / redemption of securities		162,455	1,314,691	340,351	647,330
Unrealized gain / (loss) on revaluation of investments classified as 'held for trading'		-	-	-	-
Other income		112,334	228,001	67,507	195,171
Total non mark-up / interest income		1,032,877	3,978,568	1,371,087	4,052,131
		3,021,308	8,933,155	2,883,489	8,477,335
<b>Non mark-up / interest expenses</b>					
Administrative expenses		1,602,298	4,743,318	1,450,364	4,204,186
Other provisions / write-offs		-	-	59,805	59,805
Other charges		34,590	120,730	(8,347)	70,830
Total non mark-up / interest expenses		(1,636,888)	(4,864,048)	(1,501,822)	(4,334,821)
		1,384,420	4,069,107	1,381,667	4,142,514
Extra ordinary / unusual items		-	-	-	-
<b>Profit before taxation</b>		1,384,420	4,069,107	1,381,667	4,142,514
Taxation – Current		490,937	1,506,320	577,947	1,811,704
– Prior years		110,772	284,139	-	-
– Deferred		(52,120)	(337,087)	(128,446)	(477,794)
		(549,589)	(1,453,372)	(449,501)	(1,333,910)
<b>Profit after taxation</b>		834,831	2,615,735	932,166	2,808,604
<b>Basic earnings per share (Rupees)</b>	15	0.80	2.50	0.89	2.68

The annexed notes 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

**KASSIM PAREKH**  
Chairman

**SIRAJUDDIN AZIZ**  
President &  
Chief Executive Officer

**TARIQ IKRAM**  
Director

**BASHIR ALI MOHAMMAD**  
Director

**UNCONSOLIDATED CONDENSED INTERIM  
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2013

	Note	30 September 2013		30 September 2012	
		Quarter ended	Nine months ended	Quarter ended	Nine months ended
Rupees in '000					
				(Restated)	(Restated)
Profit after taxation for the period		834,831	2,615,735	932,166	2,808,604
<b>Other comprehensive income</b>					
Items not to be reclassified to profit or loss in subsequent periods:					
Actuarial loss on defined benefit plan	3.2	(3,605)	(10,814)	(8,626)	(25,878)
Deferred tax on defined benefit plan	3.2	1,262	3,785	2,727	8,183
		(2,343)	(7,029)	(5,899)	(17,695)
<b>Comprehensive income transferred to equity</b>		<b>832,488</b>	<b>2,608,706</b>	926,267	2,790,909
<b>Components of comprehensive income not reflected in equity</b>					
Items to be reclassified to profit or loss in subsequent periods:					
(Deficit) / surplus on revaluation of investments		(3,061,362)	(2,981,303)	2,643,133	2,344,162
Deferred tax on revaluation of investments		1,067,135	932,436	(845,584)	(709,208)
		(1,994,227)	(2,048,867)	1,797,549	1,634,954
<b>Total comprehensive income</b>		<b>(1,161,739)</b>	<b>559,839</b>	2,723,816	4,425,863

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**KASSIM PAREKH**  
Chairman

**SIRAJUDDIN AZIZ**  
President &  
Chief Executive Officer

**TARIQ IKRAM**  
Director

**BASHIR ALI MOHAMMAD**  
Director

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

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

	30 September 2013	30 September 2012
	Rupees in '000	
		(Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,069,107	4,142,514
Less: Dividend income	(42,675)	(613,720)
	<u>4,026,432</u>	<u>3,528,794</u>
<b>Adjustments</b>		
Depreciation	340,559	339,189
Provision against non-performing loans and advances – net	1,334,563	2,027,803
Provision for diminution in the value of investments – net	(84,371)	(26,039)
Net (gain) on sale of fixed assets	(54,201)	(14,866)
	<u>1,536,550</u>	<u>2,326,087</u>
	<u>5,562,982</u>	<u>5,854,881</u>
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(3,933,419)	(4,908,085)
Advances	(6,324,288)	(779,626)
Other assets	(1,375,850)	888,031
	<u>(11,633,557)</u>	<u>(4,799,680)</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	1,258,071	625,882
Borrowings	(24,573,079)	(20,960,623)
Deposits and other accounts	6,300,604	31,148,831
Other liabilities (excluding taxation and dividend)	335,273	379,392
	<u>(16,679,131)</u>	<u>11,193,482</u>
Income tax paid	(22,749,706)	12,248,683
	<u>(1,504,803)</u>	<u>(1,828,363)</u>
<b>Net cash flows from operating activities</b>	<u>(24,254,509)</u>	<u>10,420,320</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	36,835,338	(2,046,682)
Net investments in held-to-maturity securities	(9,624,394)	(4,482,307)
Dividend received	42,675	613,720
Investments in operating fixed assets	(390,501)	(226,178)
Proceeds from sale of fixed assets	107,150	103,250
<b>Net cash flows from investing activities</b>	<u>26,970,268</u>	<u>(6,038,197)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(2,093,172)	(1,569,817)
<b>Net cash flows from financing activities</b>	<u>(2,093,172)</u>	<u>(1,569,817)</u>
<b>Increase in cash and cash equivalents</b>	<u>622,587</u>	<u>2,812,306</u>
Cash and cash equivalents at beginning of the period	20,863,944	15,420,150
Effect of exchange rate changes on cash and cash equivalents	567,541	309,657
<b>Cash and cash equivalents at end of the period</b>	<u>22,054,072</u>	<u>18,542,113</u>

The annexed notes 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

**KASSIM PAREKH**  
Chairman

**SIRAJUDDIN AZIZ**  
President &  
Chief Executive Officer

**TARIQ IKRAM**  
Director

**BASHIR ALI MOHAMMAD**  
Director

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

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

Note	Share capital	Reserves			Revenue reserve	Unappropriated profit	Total
		Share premium	Statutory reserve	Special reserve			
Rupees in '000							
<b>Balance as at 1 January 2012</b>	10,478,315	2,550,985	4,516,372	240,361	1,500,000	4,949,767	24,235,800
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses - net of tax	3.2	-	-	-	-	(45,926)	(45,926)
<b>Balance as at 1 January 2012 - restated</b>	10,478,315	2,550,985	4,516,372	240,361	1,500,000	4,903,841	24,189,874
<b>Changes in equity for the period ended 30 September 2012</b>							
Total comprehensive income (profit for the period)	-	-	-	-	-	2,808,604	2,808,604
Other comprehensive income - net of tax (restated)	3.2	-	-	-	-	(17,695)	(17,695)
<b>Transactions with owners, recorded directly in equity</b>							
Cash dividend (Rs. 1.50 per share)	-	-	-	-	-	(1,571,747)	(1,571,747)
Transfer to statutory reserve	-	-	562,000	-	-	(562,000)	-
<b>Balance as at 30 September 2012</b>	10,478,315	2,550,985	5,078,372	240,361	1,500,000	5,561,003	25,409,036
<b>Changes in equity for the period ended 31 December 2012</b>							
Total comprehensive income (profit for the period)	-	-	-	-	-	597,518	597,518
Other comprehensive income - net of tax (restated)	3.2	-	-	-	-	(5,899)	(5,899)
<b>Transactions with owners, recorded directly in equity</b>							
Transfer to statutory reserve	-	-	118,559	-	-	(118,559)	-
<b>Balance as at 31 December 2012</b>	10,478,315	2,550,985	5,196,931	240,361	1,500,000	6,034,063	26,000,655
<b>Changes in equity for the period ended 30 September 2013</b>							
Total comprehensive income (profit for the period)	-	-	-	-	-	2,615,735	2,615,735
Other comprehensive income - net of tax	3.2	-	-	-	-	(7,029)	(7,029)
<b>Transactions with owners, recorded directly in equity</b>							
Cash dividend (Rs. 2.00 per share)	-	-	-	-	-	(2,095,663)	(2,095,663)
Transfer to statutory reserve	-	-	523,000	-	-	(523,000)	-
<b>Balance as at 30 September 2013</b>	10,478,315	2,550,985	5,719,931	240,361	1,500,000	6,024,106	26,513,698

The annexed notes 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

**KASSIM PAREKH**  
Chairman

**SIRAJUDDIN AZIZ**  
President &  
Chief Executive Officer

**TARIQ IKRAM**  
Director

**BASHIR ALI MOHAMMAD**  
Director

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

### 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 157 (31 December 2012: 143) branches including 5 (31 December 2012: 4) Islamic banking branches and 40 (31 December 2012: 40) 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 and directives issued by Securities and Exchange Commission of Pakistan (SECP) and State Bank of Pakistan (SBP). 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 2012.

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.

2.3 These unconsolidated condensed interim financial statements represent the separate condensed interim financial statements of the Bank. The consolidated condensed interim financial statements of the Bank and its subsidiary company is presented separately.

### 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 2012 other than as disclosed in note 3.2.

3.2 During the period the Bank has adopted IAS-19 (Revised) "Employee Benefits". The significant changes to IAS 19 are as follows:

- For defined benefit plans, the option to defer recognition of actuarial gains and losses (i.e., the corridor approach) has been removed. As revised, actuarial gains and losses are recognized in other comprehensive

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income when they occur. Amounts recorded in the profit and loss account are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit obligation are recognized directly in other comprehensive income with no subsequent recycling through the profit and loss account.

- The revised standard has new or revised disclosure requirements. The disclosures now include quantitative information regarding the sensitivity of the defined benefit obligation to a reasonably possible change in each significant actuarial assumption. The revision has no effect on these unconsolidated condensed interim financial statements.

The adoption of the said amendments has resulted in a change in the Bank's accounting policy related to recognition of actuarial gains and losses (note 5.9.1 to the unconsolidated financial statements for the year ended 31 December 2012). Consequently the Bank now recognizes all actuarial gains and losses net of deferred tax directly in other comprehensive income with no subsequent recycling through the profit and loss account.

Had the said change not been made, the Bank's equity as at 30 September 2013 would have been higher by Rs. 73,220 thousand net of deferred tax (31 December 2012: Rs. 66,190 thousand), liability in respect of defined benefit plan (included in other liabilities) would have been lower by Rs. 112,645 thousand (31 December 2012: Rs. 101,830 thousand) and profit after tax for the nine months ended 30 September 2013 would have been lower by Rs. 5,054 thousand (30 September 2012: Rs. 2,498 thousand). Moreover, deferred tax asset would have lower by Rs. 39,425 thousand (31 December 2012: Rs. 35,640 thousand).

Due to the above change, the comparative figures of the profit and loss account for the quarter and nine months period ended 30 September 2012 have also been restated and the actuarial loss of Rs. 832 thousand and Rs. 2,497 thousand for the above respective periods earlier recognised in the profit and loss accounts of those periods have now been transferred to the unconsolidated condensed interim statement of comprehensive income.

- 3.3** 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 2012.

#### **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 2012.

## HABIBMETRO

5 BALANCES WITH OTHER BANKS	30 September 2013 (Un-Audited)	31 December 2012 (Audited)
	Rupees in '000	
<b>In Pakistan</b>		
Current accounts	359,610	361,834
Deposit accounts	14,083	12,550
	373,693	374,384
<b>Outside Pakistan</b>		
Current accounts	775,858	3,319,486
Deposit accounts	1,590,944	1,457,246
	2,366,802	4,776,732
	2,740,495	5,151,116
 <b>6. LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Repurchase agreement lendings (Reverse repo)	3,933,419	-
	3,933,419	-

## 7. INVESTMENTS

	Note	30 September 2013 (Un-Audited)			31 December 2012 (Audited)		
		Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
Rupees in '000							
<b>Available-for-sale securities</b>							
Market treasury bills		37,799,730	–	37,799,730	81,626,716	15,095,547	96,722,263
Pakistan investment bonds	7.2	46,001,381	–	46,001,381	17,834,896	5,780,174	23,615,070
Ordinary shares of listed companies		170,274	–	170,274	849,818	–	849,818
Ordinary shares of unlisted companies		104,205	–	104,205	104,205	–	104,205
Preference shares of a listed company		40,000	–	40,000	40,000	–	40,000
Listed term finance certificates		770,691	–	770,691	1,082,970	–	1,082,970
Unlisted term finance certificates		702,892	–	702,892	784,718	–	784,718
Sukuk certificates and bonds		20,633,327	–	20,633,327	19,759,321	–	19,759,321
Units of open end mutual funds		10,256,815	–	10,256,815	10,298,235	–	10,298,235
Units of close end mutual funds		–	–	–	58,053	–	58,053
		<u>116,479,315</u>	<u>–</u>	<u>116,479,315</u>	<u>132,438,932</u>	<u>20,875,721</u>	<u>153,314,653</u>
<b>Held-to-maturity securities</b>							
Pakistan investment bonds	7.2	14,111,723	–	14,111,723	4,487,329	–	4,487,329
<b>Subsidiary</b>							
Habib Metropolitan Financial Services Limited		300,000	–	300,000	300,000	–	300,000
<b>Investments at cost</b>		<u>130,891,038</u>	<u>–</u>	<u>130,891,038</u>	<u>137,226,261</u>	<u>20,875,721</u>	<u>158,101,982</u>
Less: Provision for diminution in the value of investments	7.1	(189,871)	–	(189,871)	(274,242)	–	(274,242)
<b>Investments – net of provisions</b>		<u>130,701,167</u>	<u>–</u>	<u>130,701,167</u>	<u>136,952,019</u>	<u>20,875,721</u>	<u>157,827,740</u>
Surplus / (deficit) on revaluation of available-for-sale securities – net	13	40,698	–	40,698	3,659,849	(637,848)	3,022,001
<b>Investments after revaluation of available-for-sale securities</b>		<u><u>130,741,865</u></u>	<u><u>–</u></u>	<u><u>130,741,865</u></u>	<u><u>140,611,868</u></u>	<u><u>20,237,873</u></u>	<u><u>160,849,741</u></u>

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	Note	30 September 2013 (Un-Audited)	31 December 2012 (Audited)
Rupees in '000			
<b>7.1 Particulars of provision for diminution in the value of investments</b>			
Opening balance		274,242	338,722
Charge for the period / year		2,550	42,252
Recovered during the period / year		(5,543)	(9,753)
Net charge for the period / year		(2,993)	32,499
Reversal of provision upon disposal of investments		(81,378)	(67,786)
Investment written off during the period / year		-	(29,193)
Closing balance		189,871	274,242

7.2 These carry mark-up rates ranging from 11.25% to 12.00% per annum (31 December 2012: 9.00% to 12.00% per annum) and will mature up to 19 July 2022. These include Rs. 158,500 thousand (31 December 2012: Rs. 158,500 thousand) pledged with State Bank of Pakistan and National Bank of Pakistan against TT/DD discounting facilities and demand loan facilities.

### 8. ADVANCES

Loans, cash credits, running finances, etc.			
In Pakistan		105,169,970	99,708,381
Net investments in finance lease / ijarah financing			
In Pakistan		533,937	488,868
Net assets in ijarah under IFAS 2		203,725	350,465
Bills discounted and purchased (excluding Market Treasury Bills)			
Payable in Pakistan		5,796,114	4,555,113
Payable outside Pakistan		13,808,956	14,196,896
		19,605,070	18,752,009
Advances - gross		125,512,702	119,299,723
Provision against non-performing advances			
- specific		(12,919,184)	(12,035,322)
- general		(693,066)	(353,674)
	8.3	(13,612,250)	(12,388,996)
Advances - net of provisions		111,900,452	106,910,727

- 8.1 Advances include Rs. 17,321,866 thousand (31 December 2012 : Rs. 17,729,487 thousand) which have been placed under non-performing status as detailed below:

Category of Classification	30 September 2013 (Un-Audited)		
	Classified advances	Provision required	Provision held
	Rupees in '000's		
Substandard	61,420	12,855	12,855
Doubtful	170,561	42,130	42,130
Loss	17,089,885	12,864,199	12,864,199
	<u>17,321,866</u>	<u>12,919,184</u>	<u>12,919,184</u>
	31 December 2012 (Audited)		
Category of Classification	Classified advances	Provision required	Provision held
	Rupees in '000's		
Substandard	154,747	34,369	34,369
Doubtful	2,246,483	673,447	673,447
Loss	15,328,257	11,327,506	11,327,506
	<u>17,729,487</u>	<u>12,035,322</u>	<u>12,035,322</u>

- 8.2 In accordance with BSD Circular No. 1 dated 21 October 2011 issued by the State Bank of Pakistan, the Bank has taken the benefit of forced sale values (FSV) against certain collaterals held against non-performing advances (excluding consumer portfolio). As of 30 September 2013, had the total benefit of these FSVs not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 4,003,501 thousand (31 December 2012: Rs. 4,454,865 thousand) and accumulated profit would have been lower by Rs. 2,602,276 thousand (31 December 2012: Rs. 2,895,662 thousand). This amount of Rs. 2,602,276 thousand is not available for the distribution of cash and stock dividend to the shareholders. The effect on profit for the nine months period ended 30 September 2013, had the benefit of FSV not reduced during the current nine months period, profit after tax would have been higher by Rs. 293,386 thousand (30 September 2012: reduced by Rs. 536,156 thousand).

- 8.3 Particulars of specific provision against non-performing advances:

	30 September 2013 (Un-Audited)			31 December 2012 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	12,035,322	353,674	12,388,996	9,928,671	94,263	10,022,934
Charge for the period / year	1,591,348	339,439	1,930,787	3,575,401	259,411	3,834,812
Reversals	(596,177)	(47)	(596,224)	(1,173,564)	-	(1,173,564)
Net charge for the period / year	995,171	339,392	1,334,563	2,401,837	259,411	2,661,248
Amount written off	(111,309)	-	(111,309)	(295,186)	-	(295,186)
Closing balance	<u>12,919,184</u>	<u>693,066</u>	<u>13,612,250</u>	<u>12,035,322</u>	<u>353,674</u>	<u>12,388,996</u>

**8.4** General provision includes provision of Rs. 2,522 thousand (31 December 2012: Rs. 5,385 thousand) 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. 153,726 thousand (30 September 2012: Rs. 253,490 thousand) and Rs. 65,021 thousand (30 September 2012: Rs. 88,384 thousand) 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 up to 1% of such total gross advances. Further Rule 8(A) of Seventh Schedule allows 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. 3,701,682 thousand. (31 December 2012: Rs. 3,424,087 thousand).

	<b>30 September 2013</b> (Un-Audited)	31 December 2012 (Audited)
	Rupees in '000	
<b>11. BORROWINGS</b>		
<b>Secured</b>		
Borrowings from State Bank of Pakistan		
– under export refinance scheme	<b>14,537,693</b>	18,810,750
– under long term financing – export oriented projects	<b>189,032</b>	331,383
– under long term financing facility – locally manufactured plant and machinery	<b>1,630,954</b>	1,567,889
	<b>16,357,679</b>	20,710,022
Repurchase agreement borrowings	–	20,220,736
	<b>16,357,679</b>	40,930,758
<b>Unsecured</b>		
Overdrawn nostro accounts	<b>1,158,832</b>	514,541
Overdrawn local bank accounts	<b>86,343</b>	123,870
	<b>1,245,175</b>	638,411
	<b>17,602,854</b>	41,569,169
<b>12. DEPOSITS AND OTHER ACCOUNTS</b>		
<b>Customers</b>		
Fixed deposits	<b>90,799,772</b>	93,541,355
Saving deposits	<b>69,732,294</b>	54,785,453
Current accounts (non-remunerative)	<b>56,745,515</b>	53,335,479
Others	<b>2,885,668</b>	2,369,674
	<b>220,163,249</b>	204,031,961
<b>Financial Institutions</b>		
Remunerative deposits	<b>3,215,009</b>	13,292,039
Non-remunerative deposits	<b>720,100</b>	473,754
	<b>3,935,109</b>	13,765,793
	<b>224,098,358</b>	217,797,754

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	30 September 2013 (Un-Audited)	31 December 2012 (Audited)
	Rupees in '000	
<b>13. SURPLUS ON REVALUATION OF ASSETS – NET OF DEFERRED TAX</b>		
<b>Available-for-sale securities:</b>		
<b>Federal Government Securities</b>		
Market Treasury Bills	(67,717)	371,488
Pakistan Investment Bonds	(333,434)	1,588,221
GOP Ijarah Sukuk	18,627	159,938
<b>Fully paid-up ordinary shares of listed companies</b>	<b>12,118</b>	<b>173,555</b>
<b>Fully paid-up preference shares of a listed company</b>	<b>3,960</b>	<b>2,561</b>
<b>Term finance certificates, sukuk certificates and bonds</b>		
Listed term finance certificates	(20,114)	10,814
Unlisted term finance certificates	9,427	7,745
Sukuk certificates / bonds	(9,630)	(3,819)
<b>Mutual funds</b>		
Open end	427,461	678,683
Close end	–	32,815
	<b>40,698</b>	<b>3,022,001</b>
Related deferred tax assets / (liability) - net	96,640	(835,796)
	<b>137,338</b>	<b>2,186,205</b>
<b>14. CONTINGENCIES AND COMMITMENTS</b>		
<b>14.1 Direct credit substitutes</b>		
Bank guarantees of indebtedness in favour of banking companies and other financial institutions	<b>31,670</b>	<b>47,341</b>
<b>14.2 Transaction-related contingent liabilities</b>		
Includes performance bonds, bid bonds, advance payment guarantees and shipping guarantees favouring:		
i) Government	15,746,767	12,770,916
ii) Banking companies and other financial institutions	102,982	121,472
iii) Others	2,495,402	2,896,002
	<b>18,345,151</b>	<b>15,788,390</b>
<b>14.3 Trade-related contingent liabilities</b>		
Letters of credit	<b>55,592,553</b>	<b>51,509,313</b>
Acceptances	<b>8,603,201</b>	<b>7,993,332</b>

	<b>30 September 2013</b> (Un-Audited)	31 December 2012 (Audited)
Rupees in '000		
<b>14.4 Commitments in respect of forward exchange contracts</b>		
Purchase	<u>59,812,048</u>	<u>45,136,165</u>
Sale	<u>54,179,340</u>	<u>51,020,826</u>
<b>14.5 Commitments in respect of operating leases</b>		
Not later than one year	<u>18,961</u>	6,542
Later than one year and not later than five years	<u>27,245</u>	6,417
	<u>46,206</u>	<u>12,959</u>
<b>14.6 Commitments for the acquisition of operating fixed assets</b>	<u>60,669</u>	<u>35,018</u>
<b>14.7 Claims against the Bank not acknowledged as debt</b>	<u>2,154,916</u>	<u>2,332,580</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 2012 (corresponding to the accounting year ended 31 December 2011). Certain appeals are pending with the Commissioner of Inland Revenue (Appeal) and Appellate Tribunal Inland Revenue (ATIR). However, adequate provisions are being held by the Bank.

**15. BASIC EARNINGS PER SHARE**

	30 September 2013		30 September 2012	
	Quarter ended	Nine months ended	Quarter ended	Nine months ended
Rupees in '000				
(Restated) (Restated)				
Profit after taxation	<u>834,831</u>	<u>2,615,735</u>	<u>932,166</u>	<u>2,808,604</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>0.80</u>	<u>2.50</u>	<u>0.89</u>	<u>2.68</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 September 2013 (Un-Audited)

	Holding company	Subsidiary	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000						
<b>Deposits</b>							
At beginning of the period	91,390	126,923	4,934,306	24,338	151,459	1,830,080	7,158,496
Received during the period	13,064,063	42,587,964	574,130,882	186,128	766,198	4,326,936	635,062,171
Repaid during the period	(13,069,953)	(42,488,629)	(575,182,070)	(185,651)	(695,230)	(5,128,700)	(636,750,233)
At end of the period	<u>85,500</u>	<u>226,258</u>	<u>3,883,118</u>	<u>24,815</u>	<u>222,427</u>	<u>1,028,316</u>	<u>5,470,434</u>
<b>Advances</b>							
At beginning of the period	-	-	1,602,820	25,668	-	-	1,628,488
Disbursed during the period	-	-	25,959,213	43,722	-	-	26,002,935
Recovered during the period	-	-	(25,679,239)	(13,636)	-	-	(25,692,875)
At end of the period	<u>-</u>	<u>-</u>	<u>1,882,794</u>	<u>55,754</u>	<u>-</u>	<u>-</u>	<u>1,938,548</u>
Bank balances held by the Bank	<u>249,900</u>	<u>-</u>	<u>24,574</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>274,474</u>
Overdrawn bank balances held by the Bank	<u>-</u>	<u>-</u>	<u>431,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>431,832</u>
Mark-up/return/interest receivable	<u>-</u>	<u>-</u>	<u>15,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,178</u>
Mark-up/return/interest payable	<u>-</u>	<u>571</u>	<u>75,018</u>	<u>692</u>	<u>1,345</u>	<u>87,750</u>	<u>165,376</u>
Management fee payable for technical and consultancy services*	<u>131,061</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,061</u>
Prepayments /Advance deposits	<u>-</u>	<u>-</u>	<u>4,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,865</u>
Insurance premium payable	<u>-</u>	<u>-</u>	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,000</u>
Transaction-related contingent liabilities	<u>-</u>	<u>-</u>	<u>1,826,170</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,826,170</u>
Trade-related contingent liabilities	<u>-</u>	<u>-</u>	<u>3,006,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,006,220</u>
Advance received against prepaid card	<u>-</u>	<u>-</u>	<u>45</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45</u>

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

	31 December 2012 (Audited)						Total
	Holding company	Subsidiary	Associates	Key management personnel	Directors	Retirement benefit plans	
	Rupees in '000						
<b>Deposits</b>							
At beginning of the year	178,264	118,586	4,880,012	60,025	73,571	1,548,662	6,859,120
Received during the year	15,500,722	60,233,955	816,595,740	407,791	681,914	4,862,281	898,282,403
Repaid during the year	(15,587,596)	(60,225,618)	(816,541,446)	(443,478)	(604,026)	(4,580,863)	(897,983,027)
At end of the year	91,390	126,923	4,934,306	24,338	151,459	1,830,080	7,158,496
<b>Advances</b>							
At beginning of the year	-	-	1,776,952	30,896	-	-	1,807,848
Disbursed during the year	-	-	28,892,000	5,635	-	-	28,897,635
Recovered during the year	-	-	(29,066,132)	(10,863)	-	-	(29,076,995)
At end of the year	-	-	1,602,820	25,668	-	-	1,628,488
Investments	-	-	53,642	-	-	-	53,642
Bank balances held by the Bank	77,497	-	1,980,921	-	-	-	2,058,418
Overdrawn bank balances held by the Bank	-	-	246,158	-	-	-	246,158
Mark-up/return/interest receivable	-	-	11,330	-	-	-	11,330
Mark-up/return/interest payable	-	766	41,072	810	1,292	118,082	162,022
Management fee payable for technical and consultancy services*	159,288	-	-	-	-	-	159,288
Prepayments /Advance deposits	-	-	26,164	-	-	-	26,164
Transaction-related contingent liabilities	-	25,000	1,456,588	-	-	-	1,481,588
Trade-related contingent liabilities	-	-	1,814,176	-	-	-	1,814,176
Advance received against prepaid card	-	-	6,640	-	-	-	6,640
Advance received against insurance premium	-	-	316	-	-	-	316
Dividend receivable	-	21,000	-	-	-	-	21,000

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

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Transactions during the period	For the period ended 30 September 2013 (Un-Audited)						Total
	Holding company	Subsidiary	Associates	Key management personnel	Directors	Retirement benefit plans	
	Rupees in '000						
Mark-up/return/interest earned	-	133	107,701	2,591	-	-	110,425
Mark-up/return/interest expensed	-	4,846	400,506	502	9,986	94,766	510,606
Commission/brokerage/bank charges recovered	3,667	22	274,615	-	-	-	278,304
Commission/brokerage/bank charges paid	263	648	18,949	-	-	-	19,860
Rent income	-	900	495	-	-	-	1,395
Gain on sale /redemption of securities	-	-	11,366	-	-	-	11,366
Salaries and allowances	-	-	-	133,257	-	-	133,257
Directors' fees	-	-	-	-	6,160	-	6,160
Contribution to defined benefit plan	-	-	-	-	-	79,200	79,200
Contribution to defined contribution plan	-	-	-	-	-	85,460	85,460
Rent expenses	-	-	10,542	-	-	-	10,542
Insurance premium expenses	-	-	34,804	-	-	-	34,804
Maintenance, electricity, stationery & entertainment expenses	-	-	27,710	-	-	-	27,710
Management fee expense for technical and consultancy services*	136,398	-	-	-	-	-	136,398
Donation paid	-	-	1,440	-	-	-	1,440
Professional / other charges paid	-	-	2,807	-	-	-	2,807

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

Transactions during the period	For the period ended 30 September 2012 (Un-Audited)						Total
	Holding company	Subsidiary	Associates	Key management personnel	Directors	Retirement benefit plans	
	Rupees in '000						
Mark-up/return/interest earned	-	-	100,342	1,669	-	-	102,011
Mark-up/return/interest expensed	-	8,646	434,974	867	5,904	180,456	630,847
Commission/brokerage/bank charges recovered	-	209	10,130	-	-	-	10,339
Commission/brokerage/bank charges paid	1,261	161	913	-	-	-	2,335
Rent income	-	900	810	-	-	-	1,710
Salaries and allowances	-	-	-	107,650	-	-	107,650
Directors' fees	-	-	-	-	4,100	-	4,100
Contribution to defined benefit plan	-	-	-	-	-	58,500	58,500
Contribution to defined contribution plan	-	-	-	-	-	76,103	76,103
Rent expenses	-	-	13,524	-	-	-	13,524
Insurance premium expenses	-	-	39,471	-	-	-	39,471
Maintenance, electricity, stationery & entertainment expenses	-	-	28,263	-	-	-	28,263
Management fee expense for technical and consultancy services*	120,136	-	-	-	-	-	120,136
Donation	-	-	6,690	-	-	-	6,690
Professional / other charges paid	-	-	7,536	-	-	-	7,536

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

## 17. KEY ISLAMIC BANKING OPERATIONS

- 17.1 The Bank is operating 5 (31 December 2012: 4) Islamic banking branches in Pakistan. The statement of financial position and profit and loss account of these branches as at 30 September 2013 are as follows:

### STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

	Note	30 September 2013 (Un-Audited)	31 December 2012 (Audited)
Rupees in '000			
<b>ASSETS</b>			
Cash and balances with treasury banks		720,479	1,071,902
Balances with other banks		-	-
Due from financial institutions		-	-
Investments		13,662,365	16,401,280
Islamic financing and related assets	A-2	6,380,432	5,312,433
Operating fixed assets		14,090	13,358
Deferred tax assets		-	-
Other assets		911,342	862,624
		<b>21,688,708</b>	<b>23,661,597</b>
<b>LIABILITIES</b>			
Bills payable		106,396	141,298
Due to financial institutions		208,400	348,600
Deposits and other accounts			
- Current accounts		2,408,379	1,764,052
- Saving accounts		5,978,034	4,534,734
- Term deposits		9,915,906	10,240,495
- Others		51,565	106,287
- Deposits from financial institutions - remunerative		1,117,165	3,930,165
- Deposits from financial institutions - non remunerative		4,674	1,607
		<b>19,475,723</b>	<b>20,577,340</b>
Due to head office		-	-
Other liabilities		507,986	905,466
		<b>20,298,505</b>	<b>21,972,704</b>
<b>NET ASSETS</b>		<b>1,390,203</b>	<b>1,688,893</b>
<b>REPRESENTED BY</b>			
Islamic banking fund		1,002,652	1,002,429
Reserves		-	-
Unappropriated profit		378,520	546,851
		<b>1,381,172</b>	<b>1,549,280</b>
Surplus on revaluation of assets		9,031	139,613
		<b>1,390,203</b>	<b>1,688,893</b>

**17.2 PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

	30 September 2013	30 September 2012
	Rupees in '000	
Profit / return on financing, investments and placements earned	1,421,378	1,626,712
Profit / return on deposit and other dues expensed	(994,320)	(1,201,352)
Net spread earned	427,058	425,360
Provision against non performing financing	11,100	33,228
Provision for diminution in the value of investments	-	-
Provision for customer financing ljarah	-	-
Bad debts written off directly	-	-
	(11,100)	(33,228)
Net spread after provisions	415,958	392,132
<b>OTHER INCOME</b>		
Fee, commission and brokerage income	16,480	16,592
Dividend income	-	-
Income from dealing in foreign currencies	9,517	7,759
Gain on sale / redemption of securities	-	-
Unrealized gain / (loss) on revaluation of investments classified as 'held-for-trading'	-	-
Other income	28,281	40,452
Total other income	54,278	64,803
	470,236	456,935
<b>OTHER EXPENSES</b>		
Administrative expenses	91,716	74,868
Other provisions / write-offs	-	-
Other charges	-	-
Total other expenses	(91,716)	(74,868)
Extra ordinary / unusual items	378,520	382,067
	-	-
<b>PROFIT BEFORE TAXATION</b>	<b>378,520</b>	<b>382,067</b>
<b>17.3 CHARITY FUND</b>		
Opening balance	-	10
Additions during the period	-	211
Payments / utilization during the period	-	(221)
Closing Balance	-	-

## HABIBMETRO

	30 September 2013 (Un-Audited)	30 September 2012 (Un-Audited)
	Rupees in '000	
<b>17.4 REMUNERATION TO SHARIAH ADVISOR / BOARD</b>	<u>1,149</u>	<u>1,377</u>
<b>A-2 ISLAMIC FINANCING AND RELATED ASSETS</b>		
	<b>30 September 2013 (Un-Audited)</b>	<b>31 December 2012 (Audited)</b>
	Rupees in '000	
<b>Financings / investments / receivables</b>		
- Murabaha	4,485,372	3,811,939
- Ijarah	256,310	422,920
- Diminishing musharaka	1,025,403	614,446
- Export refinance murabaha	208,400	343,176
- Receivable from customer against murabaha	-	14,784
	<u>5,975,485</u>	<u>5,207,265</u>
<b>Advances</b>		
- Advance against murabaha	263,049	100,657
- Advance against ijarah	2,161	4,511
- Advance against diminishing musharika	139,737	-
	<u>404,947</u>	<u>105,168</u>
	<u>6,380,432</u>	<u>5,312,433</u>
<b>A-2.1 Islamic mode of financing</b>		
Financings / investments / receivables	5,975,485	5,207,265
Advances	404,947	105,168
	<u>6,380,432</u>	<u>5,312,433</u>

### 18. GENERAL

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

### 19. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue by the Board of Directors on 23 October 2013.

**KASSIM PAREKH**  
Chairman

**SIRAJUDDIN AZIZ**  
President &  
Chief Executive Officer

**TARIQ IKRAM**  
Director

**BASHIR ALI MOHAMMAD**  
Director