



هَذَا مِنْ فَضْلِ رَبِّي



# 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

**Blanck Page**

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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

#### **CHAIRMAN**

Kassim Parekh

#### **PRESIDENT & CHIEF EXECUTIVE OFFICER**

Sirajuddin Aziz

#### **DIRECTORS**

Ali S. Habib  
Firasat Ali  
Mohamedali R. Habib  
Mohomed Bashir  
Muhammad H. Habib  
Sohail Hasan  
Tariq Ikram

#### **AUDIT COMMITTEE**

Ali S. Habib  
Kassim Parekh  
Tariq Ikram

#### **CREDIT COMMITTEE**

Kassim Parekh  
Mohamedali R. Habib  
Muhammad H. Habib  
Sirajuddin Aziz

#### **HUMAN RESOURCE & REMUNERATION COMMITTEE**

Mohamedali R. Habib  
Sirajuddin Aziz  
Tariq Ikram

#### **RISK MANAGEMENT COMMITTEE**

Kassim Parekh  
Sirajuddin Aziz  
Sohail Hasan

#### **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 half year ended June 30, 2015.

The economy moved along with positive macro-economic indicators such as declining inflationary pressures, improved external account and narrowed fiscal deficit providing support. GDP growth rate remained higher than the 4 percent in FY14 but missed its target of 5.1 percent. A reduced external account deficit due to reduction in import bill and continued growth in remittances led to further improvement in balance of payments position in the second half of FY15. Inflation in Pakistan has witnessed significant decline to 4.5 percent in FY14-15, being the lowest over the 2009-2015 period, from previous year's 8.6 percent. SBP continued its relaxed monetary policy stance and cut the policy rate by a cumulative 300 bps in FY15. The external outlook remained stable while the exchange reserves increased to USD 13.5bn as of June 30, 2015.

Going forward, expected higher consumption in a relaxed interest regime and implementation of infrastructure projects planned under the China-Pakistan Economic Corridor (CPEC) is expected to provide some impetus to growth.

By Allah's grace, HabibMetro continues to progress. Bank's deposit increased to Rs. 364bn as against Rs. 320bn at the previous year end. Investments and advances stood at Rs. 282bn and Rs. 120bn respectively as of June 30, 2015.

The Bank posted a record Profit after Tax (PAT) of Rs. 4,429mn for the half year ended June 30, 2015 as compared to Rs 2,104mn in the same period last year, exhibiting an increase of 110.5%. This translates into earnings per share of Rs. 4.23. During the half year, the interest rate movements presented some opportunities, which enhanced the Bank's operating profitability. Going forward, lower interest rates are expected to compress margins.

At the half year ended, the Bank's net equity stands at Rs. 32bn with a comfortable 19.47% capital adequacy level as against the required 10%.

The directors are pleased to declare an interim cash dividend of Rs. 2.00 per share (20%) for the half year ended June 30, 2015.

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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 fifteenth 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 a network of 243 branches in 62 cities across Pakistan including 12 Islamic banking branches, Habib Metropolitan Bank provides additionally, technologically advanced services to its customer through secured Web & SMS Banking services, globally accepted Visa Card and nationwide ATM network.

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: August 21, 2015



**INDEPENDENT AUDITORS' REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS****Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Habib Metropolitan Bank Limited ("the Bank") as at 30 June 2015 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity and notes to the condensed interim financial information for the six-month period then ended (here-in-after referred to as the "unconsolidated condensed interim financial information"). Management is responsible for the preparation and presentation of this 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.

**Other Matter**

The figures for the quarter ended 30 June 2015 in the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Karachi: August 21, 2015

**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
**Mazhar Saleem**

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Note	30 June 2015 (Un-Audited)	31 December 2014 (Audited)
Rupees in '000			
<b>ASSETS</b>			
Cash and balances with treasury banks		26,009,802	18,640,853
Balances with other banks	6	4,899,809	1,869,735
Lendings to financial institutions	7	7,181,245	3,408,776
Investments	8	281,727,545	221,761,162
Advances	9	119,944,166	134,175,636
Operating fixed assets	10	2,909,060	3,024,588
Deferred tax assets - net	11	1,540,602	1,268,527
Other assets		10,528,230	13,230,805
		<b>454,740,459</b>	397,380,082
<b>LIABILITIES</b>			
Bills payable		9,391,306	5,201,482
Borrowings	12	32,853,053	24,883,982
Deposits and other accounts	13	364,519,609	320,023,460
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		11,782,119	12,520,456
		<b>418,546,087</b>	362,629,380
<b>NET ASSETS</b>		<b>36,194,372</b>	34,750,702
<b>REPRESENTED BY</b>			
Share capital		10,478,315	10,478,315
Reserves		12,064,538	11,178,823
Unappropriated profit		9,444,170	8,543,116
		<b>31,987,023</b>	30,200,254
Surplus on revaluation of assets - net of deferred tax	14	4,207,349	4,550,448
		<b>36,194,372</b>	34,750,702
<b>CONTINGENCIES AND COMMITMENTS</b>	15		

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.

**KASSIM PAREKH**  
Chairman

**SIRAJUDDIN AZIZ**  
President &  
Chief Executive Officer

**TARIQ IKRAM**  
Director

**FIRASAT ALI**  
Director

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

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2015

	Note	30 June 2015 Quarter ended	30 June 2015 Half year ended	30 June 2014 Quarter ended	30 June 2014 Half year ended
		Rupees in '000			
Mark-up / return / interest earned		8,701,753	17,904,274	8,255,987	15,393,405
Mark-up / return / interest expensed		(5,159,714)	(11,114,430)	(5,652,130)	(10,267,923)
<b>Net mark-up / interest income</b>		<b>3,542,039</b>	<b>6,789,844</b>	<b>2,603,857</b>	<b>5,125,482</b>
Provision against non-performing loans and advances - net	9.3	895,206	1,645,206	471,824	962,679
Provision for diminution in the value of investments - net	8.1	45,433	62,356	(608)	(3,884)
Bad debts written-off directly		—	—	—	—
		(940,639)	(1,707,562)	(471,216)	(958,795)
Net mark-up / interest income after provisions		2,601,400	5,082,282	2,132,641	4,166,687
<b>Non mark-up / interest income</b>					
Fee, commission and brokerage income		791,110	1,434,725	610,755	1,180,061
Dividend income		85,474	106,992	9,304	18,191
Income from dealing in foreign currencies - net		291,568	577,818	238,617	418,068
Gain on sale / redemption of securities - net		3,711,453	4,479,969	474,645	804,842
Unrealized gain / (loss) on revaluation of investments classified as 'held-for-trading'		—	—	—	—
Other income		140,062	219,698	77,764	150,924
Total non mark-up / interest income		5,019,667	6,819,202	1,411,085	2,572,086
		7,621,067	11,901,484	3,543,726	6,738,773
<b>Non mark-up / interest expenses</b>					
Administrative expenses		2,111,342	4,107,056	1,858,303	3,623,387
Other provisions / write offs		—	—	—	—
Other charges		123,580	223,723	19,778	54,223
Total non mark-up / interest expenses		(2,234,922)	(4,330,779)	(1,878,081)	(3,677,610)
		5,386,145	7,570,705	1,665,645	3,061,163
Extraordinary / unusual items		—	—	—	—
<b>Profit before taxation</b>		<b>5,386,145</b>	<b>7,570,705</b>	<b>1,665,645</b>	<b>3,061,163</b>
Taxation – Current		2,150,080	3,093,268	628,991	1,188,592
– Prior years		476,000	476,000	—	—
– Deferred		(255,838)	(427,139)	(71,348)	(231,285)
		(2,370,242)	(3,142,129)	(557,643)	(957,307)
<b>Profit after taxation</b>		<b>3,015,903</b>	<b>4,428,576</b>	<b>1,108,002</b>	<b>2,103,856</b>
<b>Basic earnings per share (Rupees)</b>	16	<b>2.88</b>	<b>4.23</b>	1.06	2.01

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.

**KASSIM PAREKH**  
Chairman

**SIRAJUDDIN AZIZ**  
President &  
Chief Executive Officer

**TARIQ IKRAM**  
Director

**FIRASAT ALI**  
Director

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

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2015

	30 June 2015 Quarter ended	30 June 2015 Half year ended	30 June 2014 Quarter ended	30 June 2014 Half year ended
	Rupees in '000			
Profit after taxation for the period	3,015,903	4,428,576	1,108,002	2,103,856
<b>Other comprehensive income</b>				
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>				
Actuarial (loss) / gain on defined benefit plan	(8,665)	(34,197)	36,742	31,710
Related deferred tax	3,033	11,969	(12,860)	(11,099)
	(5,632)	(22,228)	23,882	20,611
<b>Total comprehensive income</b>	<b>3,010,271</b>	<b>4,406,348</b>	<b>1,131,884</b>	<b>2,124,467</b>
<b>Components of Comprehensive income not reflected in equity</b>				
<b>Items to be reclassified to profit or loss in subsequent periods:</b>				
(Deficit) / surplus on revaluation of investments	(3,425,354)	(176,062)	(612,573)	31,630
Related deferred tax	954,573	(167,037)	180,027	(52,291)
	(2,470,781)	(343,099)	(432,546)	(20,661)
<b>Total comprehensive income</b>	<b>539,490</b>	<b>4,063,249</b>	<b>699,338</b>	<b>2,103,806</b>

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.

**KASSIM PAREKH**  
Chairman

**SIRAJUDDIN AZIZ**  
President &  
Chief Executive Officer

**TARIQ IKRAM**  
Director

**FIRASAT ALI**  
Director

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

FOR THE HALF YEAR ENDED 30 JUNE 2015

	30 June 2015	30 June 2014
	Rupees in '000	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	7,570,705	3,061,163
Less: Dividend income	(106,992)	(18,191)
	<b>7,463,713</b>	<b>3,042,972</b>
<b>Adjustments</b>		
Depreciation	274,977	250,605
Provision against non-performing loans and advances – net	1,645,206	962,679
Provision for diminution in the value of investments – net	62,356	(46,069)
Net gain on sale of operating fixed assets	(47,960)	(2,129)
Actuarial (loss) / gain on defined benefit plan	(34,197)	31,710
	<b>1,900,382</b>	<b>1,196,796</b>
	<b>9,364,095</b>	<b>4,239,768</b>
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(3,772,469)	(1,500,000)
Advances	12,586,264	10,335,264
Other assets (excluding taxation)	2,272,318	(4,703,430)
	<b>11,086,113</b>	<b>4,131,834</b>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	4,189,824	3,893,448
Borrowings	7,606,105	27,638,425
Deposits and other accounts	44,496,149	29,598,039
Other liabilities (excluding dividend)	(1,975,811)	2,571,691
	<b>54,316,267</b>	<b>63,701,603</b>
	<b>74,766,475</b>	<b>72,073,205</b>
Income tax paid	(1,911,973)	(1,426,568)
<b>Net cash flows from operating activities</b>	<b>72,854,502</b>	<b>70,646,637</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	(56,132,283)	(55,291,575)
Net investments in held-to-maturity securities	(4,072,518)	(8,426,595)
Dividend received	106,775	18,191
Investments in operating fixed assets	(159,899)	(175,700)
Proceeds from sale of operating fixed assets	48,410	3,192
<b>Net cash used in investing activities</b>	<b>(60,209,515)</b>	<b>(63,872,487)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(2,608,930)	(2,094,295)
<b>Net cash used in financing activities</b>	<b>(2,608,930)</b>	<b>(2,094,295)</b>
<b>Increase in cash and cash equivalents</b>	<b>10,036,057</b>	<b>4,679,855</b>
Cash and cash equivalents at beginning of the year	19,635,073	24,242,041
<b>Cash and cash equivalents at end of the period</b>	<b>29,671,130</b>	<b>28,921,896</b>

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.

**KASSIM PAREKH**  
Chairman

**SIRAJUDDIN AZIZ**  
President &  
Chief Executive Officer

**TARIQ IKRAM**  
Director

**FIRASAT ALI**  
Director

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

FOR THE HALF YEAR ENDED 30 JUNE 2015

	Share capital	Share premium	Statutory reserve	Special reserve	Revenue reserve	Unappropriated profit	Total
	Rupees in '000						
Balance as at 1 January 2014	10,478,315	2,550,985	5,902,165	240,361	1,500,000	6,692,612	27,364,438
Total comprehensive income for the six months ended 30 June 2014							
Profit after tax	–	–	–	–	–	2,103,856	2,103,856
Other comprehensive income - net of tax	–	–	–	–	–	20,611	20,611
	–	–	–	–	–	2,124,467	2,124,467
Transfer to statutory reserve	–	–	421,000	–	–	(421,000)	–
Transactions with owners, recorded directly in equity							
Cash dividend (Rs. 2.00 per share)	–	–	–	–	–	(2,095,663)	(2,095,663)
Balance as at 30 June 2014	10,478,315	2,550,985	6,323,165	240,361	1,500,000	6,300,416	27,393,242
Total comprehensive income for the six months ended 31 December 2014							
Profit after tax	–	–	–	–	–	2,822,704	2,822,704
Other comprehensive income - net of tax	–	–	–	–	–	(15,692)	(15,692)
	–	–	–	–	–	2,807,012	2,807,012
Transfer to statutory reserve	–	–	564,312	–	–	(564,312)	–
Balance as at 31 December 2014	10,478,315	2,550,985	6,887,477	240,361	1,500,000	8,543,116	30,200,254
Total comprehensive income for the six months ended 30 June 2015							
Profit after tax	–	–	–	–	–	4,428,576	4,428,576
Other comprehensive income - net of tax	–	–	–	–	–	(22,228)	(22,228)
	–	–	–	–	–	4,406,348	4,406,348
Transfer to statutory reserve	–	–	885,715	–	–	(885,715)	–
Transactions with owners, recorded directly in equity							
Cash dividend (Rs. 2.50 per share)	–	–	–	–	–	(2,619,579)	(2,619,579)
Balance as at 30 June 2015	10,478,315	2,550,985	7,773,192	240,361	1,500,000	9,444,170	31,987,023

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.

**KASSIM PAREKH**  
Chairman

**SIRAJUDDIN AZIZ**  
President &  
Chief Executive Officer

**TARIQ IKRAM**  
Director

**FIRASAT ALI**  
Director

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

FOR THE HALF YEAR ENDED 30 JUNE 2015

### **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 204 (31 December 2014: 201) branches including 12 (31 December 2014: 10) Islamic Banking branches and 39 (31 December 2014: 39) 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 PRESENTATION**

- 2.1** In accordance with the directives of the Federal Government regarding shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade related modes of financing include purchase of goods by the Bank from their customers and immediate resale to them at appropriate mark-up in price on a deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these unconsolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.
- 2.2** The financial results of the Islamic Banking branches of the Bank have been included in these unconsolidated condensed interim financial statements for reporting purposes, after eliminating material inter-branch transactions / balances. Key financial figures of the Islamic Banking branches are disclosed in note 19 to these unconsolidated condensed interim financial statements.

### **3. STATEMENT OF COMPLIANCE**

- 3.1** These unconsolidated condensed interim financial statements of the Bank have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS's), Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan (ICAP), the requirement of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by Securities and Exchange Commission of Pakistan (SECP) and the SBP. In case requirements differ, the requirement of Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.
- 3.2** The SBP vide BSD Circular No. 10, dated 26 August 2002 has deferred the applicability of International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement" and IAS 40 "Investment Property" for banking companies till further instructions. Further, according to a notification of the Securities and Exchange Commission of Pakistan (SECP) issued vide SRO 411(I)/2008 dated 28 April 2008, IFRS 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.
- 3.3** The disclosures made in these unconsolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BSD Circular Letter No. 2 dated 12 May 2004 and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the annual unconsolidated financial statements of the Bank for the year ended 31 December 2014.
- 3.4** 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 are presented separately.

#### 4 ACCOUNTING POLICIES AND ESTIMATES

- 4.1** The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual unconsolidated financial statements of the Bank for the year ended 31 December 2014.
- 4.2** 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 2014.

#### 5. 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 2014.

	Note	30 June 2015 (Un-Audited)	31 December 2014 (Audited)
(Rupees in '000 )			
<b>6. BALANCES WITH OTHER BANKS</b>			
<b>In Pakistan</b>			
Current accounts		78,914	345,083
Deposit accounts		54,666	548,662
		<u>133,580</u>	<u>893,745</u>
<b>Outside Pakistan</b>			
Current accounts		3,239,548	975,990
Deposit accounts		1,526,681	—
		<u>4,766,229</u>	<u>975,990</u>
		<u>4,899,809</u>	<u>1,869,735</u>
<b>7. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call money lendings	7.1	2,500,000	1,500,000
Repurchase agreement lendings (Reverse repo)	7.2	4,681,245	1,908,776
		<u>7,181,245</u>	<u>3,408,776</u>

**7.1** This carry mark-up rate of 8.25% (31 December 2014 : 10.75% ) per annum with maturity upto 17 August 2015 (31 December 2014 : 14 January 2015).

**7.2** These carry mark-up rates ranging from 6.85% to 7.00% (31 December 2014 : 9.75% to 10.00% ) per annum with maturity upto 13 July 2015 (31 December 2014 : 02 January 2015).



# 8. INVESTMENTS

8. INVESTMENTS		30 June 2015 (Un-Audited)			31 December 2014 (Audited)		
	Note	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		153,416,249	5,224,398	158,640,647	85,129,747	–	85,129,747
Pakistan investment bonds	8.2	59,616,933	3,981,409	63,598,342	77,467,150	–	77,467,150
Ordinary shares of listed companies		962,427	–	962,427	973,924	–	973,924
Ordinary shares of unlisted companies		106,991	–	106,991	104,205	–	104,205
Listed term finance certificates		1,239,325	–	1,239,325	1,094,653	–	1,094,653
Unlisted term finance certificates		440,350	–	440,350	440,395	–	440,395
Sukuk certificates and bonds		21,344,154	–	21,344,154	17,314,358	–	17,314,358
Open end mutual funds		1,814,640	–	1,814,640	9,856,828	–	9,856,828
Close end mutual funds		398,483	–	398,483	31,816	–	31,816
		239,339,552	9,205,807	284,545,359	192,413,076	–	192,413,076
<b>Held-to-maturity securities</b>							
Pakistan investment bonds	8.2	22,581,877	–	22,581,877	22,559,359	–	22,559,359
Certificate of investments		4,050,000	–	4,050,000	–	–	–
<b>Subsidiary</b>							
Habib Metropolitan Financial Services Limited		300,000	–	300,000	300,000	–	300,000
<b>Investments at cost</b>		266,271,429	9,205,807	275,477,236	215,272,435	–	215,272,435
Provision for diminution in the value of investments	8.1	(222,536)	–	(222,536)	(160,180)	–	(160,180)
<b>Investments net of provisions</b>		266,048,893	9,205,807	275,254,700	215,112,255	–	215,112,255
Surplus / (deficit) on revaluation of available-for-sale securities – net	14	6,501,805	(28,960)	6,472,845	6,648,907	–	6,648,907
<b>Total investments</b>		272,550,698	9,176,847	281,727,545	221,761,162	–	221,761,162

	Note	30 June 2015 (Un-Audited)	31 December 2014 (Audited)
Rupees in '000			
<b>8.1 Particulars of provision for diminution in the value of investments</b>			
Opening balance		160,180	190,984
Charge for the period / year		67,105	24,482
Reversal during the period / year		(4,749)	(13,102)
Net charge		62,356	11,380
Reversal of provision upon disposal of investments during the period / year		—	(42,184)
Closing balance		222,536	160,180
<b>8.2</b> These carry mark-up rates ranging from 11.25% to 12.00% (31 December 2014: 11.25% to 12.00%) per annum and have maturity up to 19 July 2022 (31 December 2014: 17 July 2024). These include Rs. 132,000 thousand (31 December 2014: Rs. 158,500 thousand) pledged with State Bank of Pakistan and National Bank of Pakistan against TT/DD discounting facilities and demand loan facilities.			
<b>9. ADVANCES</b>			
Loans, cash credits, running finances, etc.			
In Pakistan		108,551,336	114,971,053
Net investment in finance lease / ijarah financing			
In Pakistan		568,971	476,918
Net book value of assets in Ijarah under IFAS - 2		192,027	247,988
Bills discounted and purchased (excluding Market treasury bills)			
Payable in Pakistan		5,420,349	8,089,663
Payable outside Pakistan		22,845,231	26,378,556
		28,265,580	34,468,219
Advances - gross		137,577,914	150,164,178
Provision against non-performing advances			
- specific		(17,598,605)	(15,661,846)
- general		(35,143)	(326,696)
	9.3	(17,633,748)	(15,988,542)
Advances - net of provisions		119,944,166	134,175,636

**9.1** Advances include Rs. 19,429,582 thousand (31 December 2014: Rs. 19,325,134 thousand) which have been placed under non-performing status as detailed below:

Category of Classification	30 June 2015 (Un-Audited)		
	Classified advances	Provision required	Provision held
	Rupees in '000's		
Substandard	-	-	-
Doubtful	-	-	-
Loss	<b>19,429,582</b>	<b>17,598,605</b>	<b>17,598,605</b>
	<b>19,429,582</b>	<b>17,598,605</b>	<b>17,598,605</b>

  

Category of Classification	31 December 2014 (Audited)		
	Classified advances	Provision required	Provision held
	Rupees in '000's		
Substandard	593,749	89,580	89,580
Doubtful	1,408,214	664,454	664,454
Loss	17,323,171	14,907,812	14,907,812
	<b>19,325,134</b>	<b>15,661,846</b>	<b>15,661,846</b>

**9.2** As allowed by the SBP, the bank has availed benefit of Forced Sale Value (FSV) of collateral held as security of Rs. 1,830,977 thousand (31 December 2014: Rs. 2,513,871 thousand) while determining the provision requirement against non-performing advances. The additional profit arising from availing the FSV benefit - net of tax as at 30 June 2015 which is not available for distribution as either cash or stock dividend to shareholders and bonus to employees amounted to approximately Rs. 1,190,135 thousand (31 December 2014: Rs. 1,634,016 thousand).

**9.3 Particulars of provision against non-performing advances**

	30 June 2015 (Un-Audited)			31 December 2014 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	<b>15,661,846</b>	<b>326,696</b>	<b>15,988,542</b>	13,455,861	854,152	14,310,013
Charge for the period / year	<b>2,227,295</b>	-	<b>2,227,295</b>	3,244,544	-	3,244,544
Reversals	<b>(290,536)</b>	<b>(291,553)</b>	<b>(582,089)</b>	(949,889)	(527,456)	(1,477,345)
Net charge for the period / year	<b>1,936,759</b>	<b>(291,553)</b>	<b>1,645,206</b>	2,294,655	(527,456)	1,767,199
Amount written off	-	-	-	(88,670)	-	(88,670)
Closing balance	<b>17,598,605</b>	<b>35,143</b>	<b>17,633,748</b>	15,661,846	326,696	15,988,542

**9.4** General provision includes provision of Rs. 2,211 thousand (31 December 2014: Rs. 2,178 thousand) made against consumer portfolio maintained at an amount equal to 1.5% of the fully secured performing portfolio and 5% of the unsecured performing portfolio as required under the Prudential Regulations issued by the State Bank of Pakistan. Moreover, general provision also includes provision of Rs. 32,371 thousands (31 December 2014: Rs. 31,041 thousands) made against Small Enterprises (SEs) maintained at an amount equal to 1% of the fully secured performing portfolio and 2% of the unsecured performing portfolio.

## 10. OPERATING FIXED ASSETS

During the current period, additions and disposals in operating fixed assets amounted to Rs. 159,900 thousand (30 June 2014: Rs. 135,574 thousand) and Rs. 450 thousand (30 June 2014: Rs. 5,190 thousand) respectively.

## 11. DEFERRED TAX ASSETS

As per 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. 3,755,502 thousand (31 December 2014: Rs. 3,294,746 thousand).

## 12. BORROWINGS

### Secured

Borrowings from State Bank of Pakistan

– under export refinance scheme	<b>13,584,787</b>	17,605,949
– under long term financing – export oriented projects	<b>41,546</b>	63,689
– under long term financing facility – locally manufactured plant and machinery	<b>1,976,845</b>	1,394,143

**15,603,178** 19,063,781

Repurchase agreement borrowings (Repo)

**9,165,948** –

Against bills re-discounting

**3,943,150** 4,032,088

**28,712,276** 23,095,869

### Unsecured

Bai Muajjal

**2,052,296** 912,598

Call borrowings

**850,000** –

Overdrawn nostro accounts

**858,296** 726,859

Overdrawn local bank accounts

**380,185** 148,656

**4,140,777** 1,788,113

**32,853,053** 24,883,982

## HABIBMETRO

	30 June 2015 (Un-Audited)	31 December 2014 (Audited)
	Rupees in '000	
<b>13. DEPOSITS AND OTHER ACCOUNTS</b>		
<b>Customers</b>		
Fixed deposits	145,954,069	130,176,879
Saving deposits	102,296,660	93,481,501
Current accounts (non-remunerative)	101,570,232	86,881,170
Others	4,787,446	2,268,708
	<b>354,608,407</b>	<b>312,808,258</b>
<b>Financial Institutions</b>		
Remunerative deposits	8,573,816	5,716,190
Non-remunerative deposits	1,337,386	1,499,012
	<b>9,911,202</b>	<b>7,215,202</b>
	<b>364,519,609</b>	<b>320,023,460</b>
<b>14. SURPLUS ON REVALUATION OF ASSETS – NET OF DEFERRED TAX</b>		
<b>Available-for-sale securities</b>		
<b>Federal Government Securities</b>		
Market treasury bills	856,193	138,751
Pakistan investment bonds	5,210,624	5,435,982
GOP ijarah sukuk	127,316	28,753
<b>Fully paid-up ordinary shares and mutual funds</b>	<b>300,169</b>	<b>1,016,261</b>
<b>Term finance certificates, sukuk certificates and bonds</b>		
Listed term finance certificates	(7,461)	(11,332)
Unlisted term finance certificates	5,892	9,554
Sukuk certificates and bonds	(19,888)	30,938
	<b>6,472,845</b>	<b>6,648,907</b>
Related deferred tax liability - net	(2,265,496)	(2,098,459)
	<b>4,207,349</b>	<b>4,550,448</b>

	30 June 2015 (Un-Audited)	31 December 2014 (Audited)
	Rupees in '000	
<b>15. CONTINGENCIES AND COMMITMENTS</b>		
<b>15.1 Direct credit substitutes</b>		
Bank guarantees of indebtedness favouring:		
Banking companies and other financial institutions	<u>10,718</u>	<u>16,472</u>
<b>15.2 Transaction-related contingent liabilities</b>		
Includes performance bonds, bid bonds, advance payment guarantees and shipping guarantees favouring:		
i) Government	16,215,910	14,820,687
ii) Banking companies and other financial institutions	1,054,084	36,395
iii) Others	10,763,758	6,035,569
	<u>28,033,752</u>	<u>20,892,651</u>
<b>15.3 Trade-related contingent liabilities</b>		
Letters of credit	<u>61,144,120</u>	<u>58,279,685</u>
Acceptances	<u>13,562,744</u>	<u>12,513,947</u>
<b>15.4 Commitments in respect of forward exchange contracts</b>		
Purchase	<u>77,678,710</u>	<u>100,046,711</u>
Sale	<u>77,188,733</u>	<u>102,295,035</u>
<b>15.5 Commitments in respect of operating leases</b>		
Not later than one year	22,036	16,371
Later than one year and not later than five years	24,984	18,732
	<u>47,020</u>	<u>35,103</u>
<b>15.6 Commitments for the acquisition of operating fixed assets</b>	<u>62,374</u>	<u>9,972</u>
<b>15.7 Claims against bank not acknowledged as debt</b>	<u>1,556,611</u>	<u>2,184,916</u>

**15.8 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.

	<b>30 June 2015</b> (Un-Audited)	31 December 2014 (Audited)
	Rupees in '000	
<b>15.9 Commitments in respect of syndicate financing</b>	<b>841,088</b>	–
<b>15.10 Commitments in respect of investment in Sukuk Certificate and Term Finance Certificates</b>	<b>113,043</b>	–

**15.11 Taxation**

Income tax assessments of the Bank have been finalised upto the tax year 2014 (corresponding to the accounting year ended 31 December 2013). Certain appeals are pending with the Commissioner of Inland Revenue (Appeal) and Appellate Tribunal Revenue (ATIR). However, adequate provisions are being held by the Bank.

**16. BASIC EARNINGS PER SHARE**

	<b>30 June 2015</b> (Un-Audited)		30 June 2014	
	<b>Quarter ended</b>	<b>Half year ended</b>	Quarter ended	Half year ended
	Rupees in '000			
Profit after taxation	<b>3,015,903</b>	<b>4,428,576</b>	1,108,002	2,103,856
	Number in '000			
Weighted average number of ordinary shares	<b>1,047,831</b>	<b>1,047,831</b>	1,047,831	1,047,831
	Rupees			
Basic earnings per share	<b>2.88</b>	<b>4.23</b>	1.06	2.01

## 17. 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 2015 (Un-Audited)					
	Holding company	Subsidiary	Associates	Key management personnel	Directors	Retirement benefit plans
	Rupees in '000					
<b>Deposits</b>						
At beginning of the period	294,869	81,605	19,676,536	49,180	385,250	1,098,520
Received during the period	16,105,154	52,326,373	715,597,673	323,388	2,496,019	406,500
Repaid during the period	(16,143,735)	(52,278,919)	(715,361,507)	(319,077)	(2,272,318)	(244,432)
At end of the period	256,288	129,059	19,912,702	53,491	608,951	1,260,588
<b>Advances</b>						
At beginning of the period	-	-	1,840,385	163,281	-	-
Disbursed during the period	-	-	20,253,242	61,949	-	-
Recovered during the period	-	-	(20,465,596)	(75,111)	-	-
At end of the period	-	-	1,628,031	150,119	-	-
Bank balances held by the Bank	254,323	-	49,001	-	-	-
Overdrawn bank balances held by the Bank	-	-	-	-	-	-
Mark-up / return / interest receivable	-	722	11,404	-	-	-
Mark-up / return / interest payable	-	389	271,375	1,062	2,057	226,070
Management fee payable for technical and consultancy services*	171,275	-	-	-	-	-
Prepayments / Advance deposits	-	-	9,712	-	-	-
Insurance premium payable	30,200	-	-	-	-	-
Transaction-related contingent liabilities	-	-	2,670,545	-	-	-
Trade-related contingent liabilities	-	-	4,128,670	-	-	-
Advance received against prepaid card	-	-	2	-	-	-

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



	31 December 2014 (Audited)					
	Holding company	Subsidiary	Associates	Key management personnel	Directors	Retirement benefit plans
	Rupees in '000					
<b>Deposits</b>						
At beginning of the year	179,325	136,023	5,220,156	49,351	306,775	1,077,055
Received during the year	22,255,937	63,314,318	1,046,264,405	401,490	1,368,482	3,990,102
Repaid during the year	(22,140,393)	(63,368,736)	(1,031,808,025)	(401,661)	(1,290,007)	(3,968,637)
At end of the year	294,869	81,605	19,676,536	49,180	385,250	1,098,520
<b>Advances</b>						
At beginning of the year	-	-	2,020,013	108,388	-	-
Disbursed during the year	-	-	38,405,253	64,877	-	-
Recovered during the year	-	-	(38,584,881)	(9,984)	-	-
At end of the year	-	-	1,840,385	163,281	-	-
Bank balances held by the Bank	33,711	-	33,719	-	-	-
Overdrawn bank balances held by the Bank	34,661	-	-	-	-	-
Mark-up / return / interest receivable	-	-	8,617	-	-	-
Mark-up / return / interest payable	-	463	295,011	1,309	3,136	159,094
Management fee payable for technical and consultancy services*	213,255	-	-	-	-	-
Prepayments / Advance deposits	-	-	4,797	-	-	-
Insurance premium and other payables	30,200	-	470	-	-	-
Transaction-related contingent liabilities	-	-	2,479,183	-	-	-
Trade-related contingent liabilities	-	-	5,637,701	-	-	-
Advance received against prepaid card	-	-	-	-	-	-

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

Transactions during the period	For the period ended 30 June 2015 (Un-Audited)					
	Holding company	Subsidiary	Associates	Key management personnel	Directors	Retirement benefit plans
	Rupees in '000					
Mark-up / return / interest earned	-	722	38,399	6,546	-	-
Mark-up / return / interest expensed	-	3,308	837,187	1,900	12,909	81,196
Commission / brokerage / bank charges recovered	4,547	146	56,514	-	124	-
Commission / brokerage / bank charges paid	135	119	564	-	-	-
Rent income	18,633	600	-	-	-	-
Salaries and allowances	-	-	-	155,507	-	-
Directors' fees	-	-	-	-	4,425	-
Contribution to defined benefit plan	-	-	-	-	-	63,330
Contribution to defined contribution plan	-	-	-	-	-	68,923
Rent expense	-	-	6,870	-	-	-
Insurance premium expense	-	-	3,284	-	-	-
Maintenance, electricity, stationery & entertainment	-	-	26,146	-	-	-
Management fee expense for technical and consultancy services*	134,222	-	-	-	-	-
Donation	-	-	3,920	-	-	-
Professional / other charges paid	-	-	1,049	-	-	-

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

**Transactions during the period**

For the period ended 30 June 2014 (Un-Audited)

	Holding company	Subsidiary	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000						
Mark-up / return / interest earned	–	–	45,603	5,188	–	–	50,791
Mark-up / return / interest expensed	–	3,411	371,426	1,415	13,539	54,238	444,029
Commission / brokerage / bank charges recovered	3,263	16	48,144	–	–	–	51,423
Commission / brokerage / bank charges paid	220	355	521	–	–	–	1,096
Rent income	–	600	–	–	–	–	600
Salaries and allowances	–	–	–	131,077	–	–	131,077
Directors' fees	–	–	–	–	4,650	–	4,650
Contribution to defined benefit plan	–	–	–	–	–	63,738	63,738
Contribution to defined contribution plan	–	–	–	–	–	61,727	61,727
Rent expense	–	–	9,222	–	–	–	9,222
Insurance premium expense	6,000	–	1,320	–	–	–	7,320
Maintenance, electricity, stationery & entertainment	–	–	24,707	–	–	–	24,707
Management fee expense for technical and consultancy services*	113,450	–	–	–	–	–	113,450
Donation	–	–	2,960	–	–	–	2,960
Professional / other charges paid	–	–	956	–	–	–	956

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

## 18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activities is as follows:

	30 June 2015 (Un-Audited)			
	Trade & Sales	Retail Banking	Commercial Banking	Total
	Rupees in '000			
<b>Total income*</b>	<b>16,403,555</b>	<b>2,883,768</b>	<b>11,436,027</b>	<b>30,723,350</b>
<b>Total expenses*</b>	<b>(10,100,740)</b>	<b>(2,234,440)</b>	<b>(10,817,465)</b>	<b>(23,152,645)</b>
<b>Net income</b>	<b>6,302,815</b>	<b>649,328</b>	<b>618,562</b>	<b>7,570,705</b>
<b>Segment assets</b>	<b>300,874,292</b>	<b>2,037,606</b>	<b>151,828,561</b>	<b>454,740,459</b>
<b>Segment liabilities</b>	<b>17,249,875</b>	<b>97,493,770</b>	<b>303,802,442</b>	<b>418,546,087</b>

  

	30 June 2014 (Un-Audited)			
	Trade & Sales	Retail Banking	Commercial Banking	Total
	Rupees in '000			
Total income*	10,853,379	4,199,403	6,640,042	21,692,824
Total expenses*	(9,042,945)	(3,817,478)	(5,771,238)	(18,631,661)
Net income	1,810,434	381,925	868,804	3,061,163
Segment assets	221,470,685	1,593,197	154,369,211	377,433,093
Segment liabilities	69,127,454	126,992,963	153,320,357	349,440,774

\* Includes Rs. 5,999,874 thousand (30 June 2014: Rs. 3,727,133 thousand) of inter-segment revenues and expenses.

**19. KEY ISLAMIC BANKING OPERATIONS**

**19.1** The Bank is operating 12 (31 December 2014: 10) Islamic Banking branches in Pakistan. The statement of financial position and profit and loss account of these branches as at 30 June 2015 are as follows:

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2015**

	Note	<b>30 June 2015</b> (Un-Audited)	31 December 2014 (Audited)
Rupees in '000			
<b>ASSETS</b>			
Cash and balances with treasury banks		<b>1,851,982</b>	1,491,819
Balances with other banks		–	500,000
Due from financial institutions		<b>8,370,075</b>	7,896,317
Investments		<b>20,243,198</b>	16,233,976
Islamic financing and related assets	A-2	<b>7,297,872</b>	6,729,141
Operating fixed assets		<b>43,624</b>	39,502
Deferred tax assets - net		–	–
Other assets		<b>1,000,800</b>	654,199
		<b>38,807,551</b>	33,544,954
<b>LIABILITIES</b>			
Bills payable		<b>701,079</b>	147,596
Due to financial institutions		<b>816,050</b>	373,400
Deposits and other accounts			
- Current accounts		<b>5,239,723</b>	4,721,766
- Saving accounts		<b>9,787,084</b>	8,793,428
- Term deposits		<b>15,123,800</b>	15,077,307
- Others		<b>111,639</b>	64,145
- Deposits from financial institutions - remunerative		<b>5,113,612</b>	1,940,922
- Deposits from financial institutions - non remunerative		<b>7,314</b>	122,495
		<b>35,383,172</b>	30,720,063
Due to head office		–	175,989
Other liabilities		<b>593,585</b>	678,791
		<b>37,493,886</b>	32,095,839
<b>NET ASSETS</b>		<b>1,313,665</b>	1,449,115
<b>REPRESENTED BY</b>			
Islamic banking fund		<b>1,002,544</b>	1,002,512
Reserves		–	–
Unappropriated profit		<b>211,883</b>	387,874
		<b>1,214,427</b>	1,390,386
Surplus on revaluation of assets		<b>99,238</b>	58,729
		<b>1,313,665</b>	1,449,115

**19.2 PROFIT AND LOSS ACCOUNT  
FOR THE HALF YEAR ENDED 30 JUNE 2015**

	<b>30 June 2015</b> (Un-Audited)	<b>30 June 2014</b> (Un-Audited)
	Rupees in '000	
Profit / return on financing, investments and placements earned	<b>1,315,901</b>	1,057,426
Profit / return on deposit and other dues expensed	<b>(959,719)</b>	(880,414)
Net spread earned	<b>356,182</b>	177,012
Provision against non performing financing	<b>77,466</b>	4,767
Provision for diminution in the value of investments	-	-
Provision for customer financing ljarah	-	-
Bad debts written off directly	-	-
	<b>(77,466)</b>	(4,767)
Net spread after provisions	<b>278,716</b>	172,245
<b>OTHER INCOME</b>		
Fee, commission and brokerage income	<b>16,776</b>	14,695
Dividend income	-	-
Income from dealing in foreign currencies - net	<b>7,487</b>	6,553
Gain on sale / redemption of securities - net	<b>1,202</b>	92,181
Unrealized gain / (loss) on revaluation of investments classified as 'held-for-trading'	-	-
Other income	<b>39,122</b>	22,037
Total other income	<b>64,587</b>	135,466
	<b>343,303</b>	307,711
<b>OTHER EXPENSES</b>		
Administrative expenses	<b>131,420</b>	86,882
Other provisions / write-offs	-	-
Other charges	-	-
Total other expenses	<b>(131,420)</b>	(86,882)
	<b>211,883</b>	220,829
Extra ordinary / unusual items	-	-
<b>PROFIT BEFORE TAXATION</b>	<b>211,883</b>	220,829
<b>19.3 Remuneration to Shariah Advisor / Board</b>	<b>1,294</b>	1,200

## HABIBMETRO

**30 June 2015**      31 December 2014  
(Un-Audited)      (Audited)  
Rupees in '000

### 19.4 Charity Fund

Opening balance	-	-
Additions during the period / year	-	23
Payments / utilization during the period / year	-	(23)
Closing Balance	-	-

### A-2 ISLAMIC FINANCING AND RELATED ASSETS

#### Financings / investments / receivables

- Murabaha	3,815,591	4,214,607
- Ijarah	214,066	271,260
- Diminishing musharaka	1,494,680	1,271,564
- Export refinance murabaha	401,050	396,700
- Istisna	20,000	-
- Al Bai Financing	8,380	-
	<b>5,953,767</b>	<b>6,154,131</b>

#### Advances

- Advance against murabaha	762,024	245,789
- Advance against ijarah	18,245	4,941
- Advance against diminishing musharika	68,836	219,544
- Advance against istisna	495,000	85,000
	<b>1,344,105</b>	<b>555,274</b>

#### Assets / Inventories

- Istisna Goods	-	19,736
	-	19,736
	<b>7,297,872</b>	<b>6,729,141</b>

### A-2.1 Islamic mode of financing

Financings / investments / receivables	<b>5,953,767</b>	<b>6,154,131</b>
Advances	<b>1,344,105</b>	<b>555,274</b>
Assets / Inventories	-	19,736
	<b>7,297,872</b>	<b>6,729,141</b>

	<b>30 June 2015</b> (Un-Audited)	31 December 2014 (Audited)
	Rupees in '000	
<b>A-2.2 Murabaha financing</b>		
Murabaha receivable - gross	<b>4,320,580</b>	4,590,152
Less : Deferred murabaha income	<b>(179,169)</b>	(197,427)
Provision against murabaha financing	<b>(325,820)</b>	(178,118)
	<b><u>3,815,591</u></b>	<u>4,214,607</u>

## 20. GENERAL

**20.1** The Board of Directors in its meeting held on 21 August 2015 has declared a cash dividend in respect of the period ended 30 June 2015 of Rs. 2.0 per share (30 June 2014: Nil). These unconsolidated condensed interim financial statements for the period ended 30 June 2015 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

**20.2** Corresponding figures have been re-arranged / re-classified wherever necessary, for the purpose of comparison. However, no significant reclassifications have been made in these unconsolidated condensed interim financial statements.

**20.3** The figures have been rounded off to nearest thousand rupees, unless otherwise mentioned.

**20.4** Figures of the profit and loss account for the quarters ended 30 June 2015 and 30 June 2014 have not been subjected to limited scope review by the auditors.

## 21. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue by the Board of Directors on 21 August 2015.

**KASSIM PAREKH**  
Chairman

**SIRAJUDDIN AZIZ**  
President &  
Chief Executive Officer

**TARIQ IKRAM**  
Director

**FIRASAT ALI**  
Director