



HABIB METROPOLITAN BANK

[Subsidiary of Habib Bank AG Zurich]

Consolidated Accounts
For the quarter ended
31 March 2012

(Un-Audited)

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

As at 31 March 2012

	Note	31 March 2012 (Un-Audited)	31 December, 2011 (Audited)
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		15,027,228	14,233,690
Balances with other banks	5	2,619,791	3,551,591
Lending to financial institutions	6	10,185,788	2,361,754
Investments	7	127,531,820	147,459,163
Advances	8	112,073,230	109,656,714
Operating fixed assets	9	3,176,823	3,230,658
Deferred tax assets - net	10	2,304,647	2,020,511
Other assets		5,146,046	5,686,576
		278,065,373	288,200,657
LIABILITIES			
Bills payable		4,878,982	3,733,794
Borrowings	11	48,882,381	66,641,226
Deposits and other accounts	12	191,343,353	185,281,216
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		9,157,750	7,963,052
		254,262,466	263,619,288
NET ASSETS			
		23,802,907	24,581,369
REPRESENTED BY			
Share capital		10,478,315	10,478,315
Reserves		8,975,718	8,807,718
Unappropriated profit		4,061,920	4,960,068
		23,515,953	24,246,101
Surplus on revaluation of assets - net of deferred tax	13	286,954	335,268
		23,802,907	24,581,369
CONTINGENCIES AND COMMITMENTS			
	14		

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

KASSIM PAREKH
Chairman

SIRAJUDDIN AZIZ
President &
Chief Executive Officer

TARIQ IKRAM
Director

MOHAMEDALI R. HABIB
Director

Consolidated Condensed Interim
Profit and Loss Account (Un-audited)
For the quarter ended 31 March 2012

HABIBMETRO

	2012	2011
	Rupees in '000	
Mark-up / return / interest earned	6,891,198	6,445,363
Mark-up / return / interest expensed	(4,724,486)	(4,715,373)
Net mark-up / interest income	2,166,712	1,729,990
Provision against non-performing loans and advances	713,895	806,735
Provision for diminution in the value of investments	4,778	(2,402)
Bad debts written-off directly	—	—
	(718,673)	(804,333)
Net mark-up / interest income after provisions	1,448,039	925,657
Non mark-up / interest income		
Fee, commission and brokerage income	509,133	466,678
Dividend income	271,985	251,329
Income from dealing in foreign currencies	281,740	563,483
Gain on sale / redemption of securities	54,759	35,002
Unrealized gain / (loss) on revaluation of investments classified as 'held for trading'	—	—
Other income	73,361	58,153
Total non mark-up / interest income	1,190,978	1,374,645
	2,639,017	2,300,302
Non mark-up / interest expenses		
Administrative expenses	1,393,246	1,203,001
Other provisions / write-offs	—	—
Other charges	38,247	30,313
Total non mark-up/interest expenses	(1,431,493)	(1,233,314)
	1,207,524	1,066,988
Extra ordinary / unusual items	—	—
Profit before taxation	1,207,524	1,066,988
Taxation – Current	580,010	455,072
– Prior years	—	—
– Deferred	(214,085)	(146,317)
	(365,925)	(308,755)
Profit after taxation	841,599	758,233
		(Restated)
Basic and diluted earnings per share (Rupee) - Note 15	0.80	0.72

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Director

MOHAMEDALI R. HABIB
Director

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

For the quarter ended 31 March 2012

	2012	2011
	Rupees in '000	
Profit after taxation for the period	841,599	758,233
Other comprehensive income	–	–
Comprehensive income transferred to equity	841,599	758,233
Components of comprehensive income not reflected in equity		
(Deficit) / surplus on revaluation of investments	(118,364)	313,983
Deferred tax on revaluation of investments	70,050	(93,517)
	(48,314)	220,466
Total comprehensive income	793,285	978,699

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Consolidated Condensed Interim
Cash Flow Statement (Un-audited)
For the quarter ended 31 March 2012

HABIBMETRO

	2012	2011
	Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,207,524	1,066,988
Less: Dividend income	(271,985)	(251,329)
	935,539	815,659
Adjustments		
Depreciation	110,341	93,602
Provision against non-performing loans and advances – net	713,895	806,735
Provision for diminution in the value of investments – net	2,752	(2,593)
Net (gain) on sale of fixed assets	(235)	(1)
	826,753	897,743
	1,762,292	1,713,402
(Increase) / decrease in operating assets		
Lending to financial institutions	(7,824,034)	1,690,399
Advances	(3,130,411)	(7,269,695)
Other assets	540,530	(748,245)
	(10,413,915)	(6,327,541)
Increase / (decrease) in operating liabilities		
Bills payable	1,145,188	837,780
Borrowings	(17,777,937)	76,710
Deposits and other accounts	6,062,137	6,778,328
Other liabilities (excluding taxation and dividend)	(337,852)	649,027
	(10,908,464)	8,341,845
	(19,560,087)	3,727,706
Income tax paid	(619,174)	(432,365)
Net cash flows from operating activities	(20,179,261)	3,295,341
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	19,806,227	(6,816,162)
Net investments in held-to-maturity securities	–	250,000
Dividend received	271,985	251,329
Investments in operating fixed assets	(57,083)	(104,563)
Proceeds from sale of fixed assets	811	860
Net cash flows from investing activities	20,021,940	(6,418,536)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(33)	(90)
Net cash flows from financing activities	(33)	(90)
Decrease in cash and cash equivalents	(157,354)	(3,123,285)
Cash and cash equivalents at beginning of the period	15,700,061	15,666,223
Effect of exchange rate changes on cash and cash equivalent	29,746	11,639
Cash and cash equivalents at the end of the period	15,572,453	12,554,577

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Director

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

For the quarter ended 31 March 2012

	Share capital	Reserves					Unappropriated profit	Total
		Share premium	Statutory reserve	Special reserve	Revenue reserve	Reserve for issue of bonus shares		
	Rupees in '000							
Balance as at 1 January 2011	8,731,929	2,550,985	3,860,097	240,361	1,500,000	–	4,073,530	20,956,902
Changes in equity for the period ended 31 March 2011								
Total comprehensive income (profit for the period)	–	–	–	–	–	–	758,233	758,233
Transactions with owners, recorded directly in equity								
Transfer to reserve for issuance of bonus shares in the ratio of 20 shares for every 100 shares held for the year ended 31 December 2010		–	–	–	–	1,746,386	(1,746,386)	–
Transferred to statutory reserve	–	–	151,000	–	–		(151,000)	–
Balance as at 31 March 2011	8,731,929	2,550,985	4,011,097	240,361	1,500,000	1,746,386	2,934,377	21,715,135
Changes in equity for the period ended 31 December 2011								
Total comprehensive income (profit for the period)	–	–	–	–	–	–	2,530,966	2,530,966
Transactions with owners, recorded directly in equity								
Issue of bonus share in the ratio of 20 shares for every 100 shares held for the year ended 31 December 2010	1,746,386	–	–	–	–	(1,746,386)	–	–
Transfer to statutory reserve	–	–	505,275	–	–		(505,275)	–
Balance as at 31 December 2011	10,478,315	2,550,985	4,516,372	240,361	1,500,000	–	4,960,068	24,246,101
Changes in equity for the period ended 31 March 2012								
Total comprehensive income (profit for the period)	–	–	–	–	–	–	841,599	841,599
Transactions with owners, recorded directly in equity								
Cash dividend (Rs. 1.5 per share)	–	–	–	–	–	–	(1,571,747)	(1,571,747)
Transferred to statutory reserve	–	–	168,000	–	–	–	(168,000)	–
Balance as at 31 March 2012	10,478,315	2,550,985	4,684,372	240,361	1,500,000	–	4,061,920	23,515,953

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

For the quarter ended 31 March 2012

HABIBMETRO

1. STATUS AND NATURE OF BUSINESS:

The Group comprises of:

Holding company

Habib Metropolitan Bank Ltd.

Subsidiary company

Habib Metropolitan Financial Services Limited

Here-in-after referred to as "the Group" is engaged in providing Commercial Banking, financial services and equity brokerage services.

Habib Metropolitan Bank Ltd. (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 stock exchanges in Pakistan. The registered office of the Bank is situated at Spencer's Building, I.I. Chundrigar Road, Karachi. The Bank operates 138 (2011: 138) branches including 4 (2011: 4) Islamic Banking Branches and 25 (2011: 25) sub branches in Pakistan. The Bank is a subsidiary of Habib Bank AG, Zurich which is incorporated in Switzerland.

2. BASIS OF PREPARATION

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

3. ACCOUNTING POLICIES AND ESTIMATES

3.1 The accounting policies and methods of computation followed in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2011.

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

4. FINANCIAL RISK MANAGEMENT

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

5 BALANCES WITH OTHER BANKS

**31 March
2012**
(Un-Audited)
31 December
2011
(Audited)
Rupees in '000

In Pakistan

Current accounts
Deposit accounts

348,442

309,526

10,853

16,491

359,295

326,017

Outside Pakistan

Current accounts
Deposit accounts

1,081,895

976,932

1,178,601

2,248,642

2,260,496

3,225,574

2,619,791

3,551,591

6. LENDING TO FINANCIAL INSTITUTIONS

Call money lending
Repurchase agreement lending (Reverse repo)

2,060,000

1,000,000

8,125,788

1,361,754

10,185,788

2,361,754

7. INVESTMENTS

7. INVESTMENTS		31 March 2012 (Un-Audited)			31 December 2011 (Audited)		
	Note	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
Rupees in '000							
Available-for-sale securities							
Market treasury bills		53,274,847	19,185,606	72,460,453	56,979,771	35,529,021	92,508,792
Pakistan investment bonds		18,231,970	5,092,380	23,324,350	17,859,019	4,056,656	21,915,675
Ordinary shares of listed companies		543,705	–	543,705	649,318	–	649,318
Ordinary shares of unlisted companies		123,101	–	123,101	123,101	–	123,101
Preference shares of a listed company		40,000	–	40,000	40,000	–	40,000
Listed term finance certificates		1,919,777	–	1,919,777	2,049,093	–	2,049,093
Unlisted term finance certificates		248,098	–	248,098	248,097	–	248,097
Sukuk certificates and Bonds		15,081,412	–	15,081,412	16,920,026	–	16,920,026
Open end mutual funds		13,717,953	–	13,717,953	12,790,730	–	12,790,730
Close end mutual funds		68,436	–	68,436	88,680	–	88,680
Investments at cost		103,249,299	24,277,986	127,527,285	107,747,835	39,585,677	147,333,512
Less: Provision for diminution in the value of investments		(341,474)	–	(341,474)	(338,722)	–	(338,722)
Investments – net of provisions	7.1	102,907,825	24,277,986	127,185,811	107,409,113	39,585,677	146,994,790
Surplus / (deficit) on revaluation of available-for-sale securities – net		691,130	(345,121)	346,009	726,443	(262,070)	464,373
Investments after revaluation of available-for-sale securities	13	103,598,955	23,932,865	127,531,820	108,135,556	39,323,607	147,459,163

	Notes	31 March 2012 (Un-Audited)	31 December 2011 (Audited)
Rupees in '000			
7.1 Particulars of provision for diminution in the value of investments			
Opening balance		338,722	255,932
Charge for the period / year		4,778	94,640
Reversal of provision upon disposal of investments		(2,026)	(11,850)
Closing balance		<u>341,474</u>	<u>338,722</u>
8. ADVANCES			
Loans, cash credits, running finances, etc.			
In Pakistan		99,105,414	98,115,904
Net investments in finance lease / ijarah financing			
In Pakistan		506,859	561,970
Net assets in ijarah under IFAS 2		630,224	825,452
Bills discounted and purchased (excluding Market Treasury Bills)			
Payable in Pakistan		5,993,193	5,489,601
Payable outside Pakistan		16,509,670	14,686,721
		<u>22,502,863</u>	<u>20,176,322</u>
Advances - gross		122,745,360	119,679,648
Provision against non-performing advances			
- specific		(10,513,151)	(9,928,671)
- general		(158,979)	(94,263)
		<u>(10,672,130)</u>	<u>(10,022,934)</u>
Advances - net of provisions	8.3	<u>112,073,230</u>	<u>109,656,714</u>

- 8.1** Advances include Rs. 16,553,739 thousand (2011: Rs 15,427,848 thousand) which have been placed under non-performing status as detailed below:

Category of Classification	31 March 2012 (Un-Audited) in Pakistan		
	Classified advances	Provision required	Provision held
	Rupees in '000's		
Substandard	514,216	84,829	84,829
Doubtful	2,223,078	650,451	650,451
Loss	13,816,445	9,777,871	9,777,871
	<u>16,553,739</u>	<u>10,513,151</u>	<u>10,513,151</u>

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

- 8.2** In accordance with BSD Circular No. 1 dated 21 October 2011 issued by the State Bank of Pakistan, during the quarter, the Bank has further availed the benefit of FSV against the non-performing advances (excluding consumer housing finance portfolio). Had this benefit of FSV not been taken by the Bank, the specific provision against non-performing advances for the quarter would have been higher by Rs. 515.203 million (31 March 2011: Rs. 7.037 million) and profit after taxation for the quarter ended 31 March 2012 would have been lower by approximately Rs. 334.882 million (31 March 2011: Rs. 4.574 million). As of 31 March 2012, had the benefit of FSVs not taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 4,543.391 million (31 December 2011: Rs. 4,028.188 million) and accumulated profit would have been lower by Rs. 2,953.204 million (31 December 2011: Rs. 2,618.322 million). This amount of Rs. 2,953.204 million is not available for the distribution of cash and stock dividend to the shareholders.

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

	31 March 2012 (Un-Audited)			31 December 2010 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	9,928,671	94,263	10,022,934	7,463,452	58,919	7,522,371
Charge for the period/year	895,401	64,716	960,117	3,840,767	35,344	3,876,111
Reversals	(246,222)	-	(246,222)	(1,216,149)	-	(1,216,149)
Net charge for the period / year	649,179	64,716	713,895	2,624,618	35,344	2,659,962
Amount written off	(64,699)	-	(64,699)	(159,399)	-	(159,399)
Closing balance	<u>10,513,151</u>	<u>158,979</u>	<u>10,672,130</u>	<u>9,928,671</u>	<u>94,263</u>	<u>10,022,934</u>

- 8.4 General provision includes provision of Rs. 10,099 thousand (2011: Rs. 19,610 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. 7,597 thousand (31 March 2011: Rs. 308 thousand) and Rs. 856 thousand (31 March 2011: Rs. 859 thousand) respectively.

10. DEFERRED TAX ASSETS – NET

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 will now be 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 will be allowed upto 1% of such total gross advances. Further a new Rule 8(A) has been introduced in Seventh Schedule to allow for amounts provided for in tax year 2008 and prior to said tax year for doubtful debts, which were neither claimed nor allowed as tax deductible in any year shall be allowed as deduction in tax year in which such doubtful debts are written off. With reference to allowability of provision, the management has carried out an exercise and concluded that full deduction of provision in succeeding years would be allowed and accordingly recognized deferred tax asset on such provision amounting to Rs. 2,741,477 thousand. (2011: Rs. 2,549,617 thousand).

11. BORROWINGS

Secured

Borrowings from State Bank of Pakistan

- under export refinance scheme
- under long term financing – export oriented projects
- under long term financing facility – locally manufactured plant and machinery

Repurchase agreement borrowings

Unsecured

- Call borrowings
- Overdrawn nostro accounts
- Overdrawn local bank accounts
- Other short term borrowing

**31 March
2012**
(Un-Audited)

31 December
2011
(Audited)

Rupees in '000

20,025,187	20,573,018
596,304	701,047
<u>2,019,497</u>	<u>1,908,929</u>
<u>22,640,988</u>	<u>23,182,994</u>
<u>23,885,504</u>	<u>39,270,858</u>
<u>46,526,492</u>	<u>62,453,852</u>
<u>100,000</u>	<u>2,041,954</u>
<u>2,053,141</u>	<u>2,032,902</u>
<u>21,425</u>	<u>22,572</u>
<u>181,323</u>	<u>89,946</u>
<u>2,355,889</u>	<u>4,187,374</u>
<u>48,882,381</u>	<u>66,641,226</u>

HABIBMETRO

	31 March 2012 (Un-Audited)	31 December 2011 (Audited)
	Rupees in '000	
12. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	84,460,276	82,159,532
Saving deposits	47,810,566	44,166,722
Current accounts (non-remunerative)	47,505,003	45,008,091
Others	2,035,264	2,200,862
	181,811,109	173,535,207
Financial Institutions		
Remunerative deposits	9,113,982	11,470,881
Non-remunerative deposits	418,262	275,128
	9,532,244	11,746,009
	191,343,353	185,281,216
13. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF DEFERRED TAX		
Available-for-sale securities:		
Federal Government Securities		
Market Treasury Bills	161,373	324,173
Pakistan Investment Bonds	(108,905)	(32,953)
GOP Ijarah Sukuk	13,640	66,457
Fully paid-up ordinary shares – Listed	119,828	26,833
Term Finance Certificates		
Listed	7,983	(17,787)
Sukuk Certificates / Bonds	23,726	(9,219)
Mutual funds		
Open end	100,238	83,821
Close end	28,126	23,048
	346,009	464,373
Related deferred tax liabilities - net	(59,055)	(129,105)
	286,954	335,268

	31 March 2012 (Un-Audited)	31 December 2011 (Audited)
	Rupees in '000	
14. CONTINGENCIES AND COMMITMENTS		
14.1 Direct credit substitutes		
Bank guarantees of indebtedness in favour of:		
– Banking companies and other financial institutions	<u>71,012</u>	<u>71,012</u>
14.2 Transaction-related contingent liabilities		
Includes performance bonds, bid bonds, advance payment guarantees and shipping guarantees favouring:		
i) Government	10,104,149	10,115,047
ii) Banking companies and other financial institutions	63,689	51,928
iii) Others	3,122,501	3,168,794
	<u>13,290,339</u>	<u>13,335,769</u>
14.3 Trade-related contingent liabilities		
Letters of credit	<u>43,389,122</u>	<u>50,815,273</u>
Acceptances	<u>11,306,588</u>	<u>12,360,730</u>
14.4 Commitments in respect of forward exchange contracts		
Purchase	<u>56,210,342</u>	<u>54,377,083</u>
Sale	<u>61,038,579</u>	<u>62,519,824</u>
14.5 Commitments in respect of operating leases		
Not later than one year	20,473	37,204
Later than one year and not later than five years	11,260	24,346
	<u>31,733</u>	<u>61,550</u>
14.6 Commitments for the acquisition of operating fixed assets	<u>5,597</u>	<u>9,105</u>
14.7 Claims against the Bank not acknowledged as debt	<u>2,481,831</u>	<u>2,424,410</u>
14.8 Commitments in respect of forward lending		
The Bank makes commitments to extend credit in the normal course of its business, but none of these commitments are irrevocable and do not attract any penalty if the facility is unilaterally withdrawn.		
14.9 Taxation		
Income tax assessments of the Bank have been finalised upto the tax year 2008 (corresponding to the accounting year ended 31 December 2007). Certain appeals are pending for the tax years 2009, 2010 and 2011 (corresponding to the accounting years ended 31 December 2008, 2009 and 2010). However, adequate provisions are being held by the Bank.		

HABIBMETRO

	31 March 2012 (Un-Audited)	31 March 2011 (Un-Audited)
	Rupees in '000	
15. BASIC AND DILUTED EARNINGS PER SHARE		
Profit after taxation	<u>841,599</u>	<u>758,233</u>
	Number in '000 (Restated)	
Weighted average number of ordinary shares	<u>1,047,831</u>	<u>1,047,831</u>
	Rupees (Restated)	
Basic and diluted earnings per share	<u>0.80</u>	<u>0.72</u>

- 15.1** The comparative figure of weighted average number of shares outstanding has been restated to include the effect of bonus shares issued by the Bank during the year 2011.

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 employee retirement benefit plans.

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

31 March 2012 (Un-Audited)

	Holding Company	Associates	Key Management Personnel	Directors	Retirement Benefit Plans	Total
	Rupees in '000					
Deposits						
At beginning of the period	178,264	4,880,012	60,025	73,571	1,548,662	6,740,534
Received during the period	3,171,673	149,532,443	133,299	86,275	103,456	153,027,146
Repaid during the period	(3,173,209)	(149,331,909)	(175,331)	(70,828)	(121,008)	(152,872,285)
At the end of the period	176,728	5,080,546	17,993	89,018	1,531,110	6,895,395
Advances						
At the beginning of the period	-	1,776,952	31,193	-	-	1,808,145
Disbursed during the period	-	8,977,015	1,857	-	-	8,978,872
Recovered during the period	-	(8,889,239)	(8,738)	-	-	(8,897,977)
At the end of the period	-	1,864,728	24,312	-	-	1,889,040
Bank balances held by the Bank	119,447	1,398,663	-	-	-	1,518,110
Overdrawn bank balances held by the Bank	(2,939)	(862,955)	-	-	-	(865,894)
Mark-up/return/interest receivable	-	12,246	-	-	-	12,246
Mark-up/return/interest payable	-	68,437	430	767	150,356	219,990
Management fee payable for technical and consultancy services*	188,699	-	-	-	-	188,699
Prepayments /Advance deposits	-	15,846	-	-	-	15,846
Transaction-related contingent liabilities	-	1,427,087	-	-	-	1,427,087
Trade-related contingent liabilities	-	1,431,180	-	-	-	1,431,180
Advance received against prepaid card	-	1,298	-	-	-	1,298
Advance received against insurance premium	-	316	-	-	-	316
Receivable / (payable) against purchase / sale of securities	-	34,936	-	-	-	34,936
Receivable / (payable) against purchase / sale of securities	-	-	257	-	-	257

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

31 December 2011 (Un-Audited)

	Holding Company	Associates	Key Management Personnel	Directors	Retirement Benefit Plans	Total
	Rupees in '000					
Deposits						
At beginning of the period	93,074	3,220,383	60,493	64,546	1,233,885	4,672,381
Received during the period	14,870,118	593,595,088	279,750	946,006	3,443,040	613,134,002
Repaid during the period	(14,784,928)	(591,935,459)	(280,218)	(936,981)	(3,128,263)	(611,065,849)
At the end of the period	178,264	4,880,012	60,025	73,571	1,548,662	6,740,534
Advances						
At the beginning of the period	–	2,198,466	22,316	–	–	2,220,782
Disbursed during the period	–	63,913,349	14,725	–	–	63,928,074
Recovered during the period	–	(64,334,863)	(5,848)	–	–	(64,340,711)
At the end of the period	–	1,776,952	31,193	–	–	1,808,145
Bank balances held by the Bank	197,044	31,097	–	–	–	228,141
Overdrawn bank balances held by the Bank	–	(1,049,728)	–	–	–	(1,049,728)
Mark-up/return/interest receivable	–	10,937	–	–	–	10,937
Mark-up/return/interest payable	–	60,039	922	694	109,396	171,051
Management fee payable for technical and consultancy services*	143,500	–	–	–	–	143,500
Prepayments /Advance deposits	–	18,190	–	–	–	18,190
Transaction-related contingent liabilities	–	1,402,878	–	–	–	1,402,878
Trade-related contingent liabilities	–	1,706,015	–	–	–	1,706,015
Advance received against prepaid card	–	1,957	–	–	–	1,957
Advance received against insurance premium	–	363	–	–	–	363
Receiveable / (payable) against purchase / sale of securities	–	(34,548)	–	–	–	(34,548)
Receiveable / (payable) against purchase / sale of securities	–	–	60	–	–	60

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

Transactions during the period

For the period ended **31 March 2012** (Un-Audited)

	Holding Company	Associates	Key Management Personnel	Directors	Retirement Benefit Plans	Total
	Rupees in '000					
Mark-up/return/interest earned	-	18,625	622	-	-	19,247
Mark-up/return/interest expensed	-	128,538	1,583	1,697	41,938	173,756
Commission/brokerage/bank charges recovered	676	2,155	10	-	-	2,841
Rent income	-	270	-	-	-	270
Salaries and allowances	-	-	45,487	-	-	45,487
Directors' fees	-	-	-	1,520	-	1,520
Contribution to defined benefit plan	-	-	-	-	19,500	19,500
Contribution to defined contribution plan	-	-	-	-	23,152	23,152
Bank charges paid	262	315	-	-	-	577
Rent expenses	-	4,455	-	-	-	4,455
Insurance premium expenses	-	8,334	-	-	-	8,334
Maintenance, Electricity, Stationary & Entertainment	-	9,616	-	-	-	9,616
Management fee expense for technical and consultancy services*	45,199	-	-	-	-	45,199
Donation	-	480	-	-	-	480
Professional / other charges	-	2,460	-	-	-	2,460

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

HABIBMETRO

Transactions during the period

For the period ended 31 March 2011 (Un-Audited)

	Holding Company	Associates	Key Management Personnel	Directors	Retirement Benefit Plans	Total
	Rupees in '000					
Mark-up/return/interest earned	–	29,644	376	–	–	30,020
Mark-up/return/interest expensed	–	122,274	2,654	1,463	27,672	154,063
Commission/brokerage/bank charges recovered	651	2,964	–	–	–	3,615
Rent income	–	246	–	–	–	246
Salaries and allowances	–	–	30,618	–	–	30,618
Directors' fees	–	–	–	1,030	–	1,030
Contribution to defined benefit plan	–	–	–	–	18,000	18,000
Contribution to defined contribution plan	–	–	–	–	18,701	18,701
Bank charges paid	113	7,316	–	–	–	7,429
Rent expenses	–	4,163	–	–	–	4,163
Insurance premium expenses	–	7,885	–	–	–	7,885
Maintenance, Electricity, Stationary & Entertainment	–	5,348	–	–	–	5,348
Management fee expense for technical and consultancy services*	37,312	–	–	–	–	37,312
Donation	–	480	–	–	–	480
Professional / other charges	–	2,485	–	–	–	2,485

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

17. KEY ISLAMIC BANKING OPERATIONS

- 17.1 The Bank is operating 4 (2011: 4) Islamic banking branches in Pakistan. The balance sheet of these branches as at 31 March 2012 is as follows:

BALANCE SHEET	31 March 2012 (Un-Audited)	31 December 2011 (Audited)
	Rupees in '000	
ASSETS		
Cash and balances with treasury banks	702,785	865,436
Balances with and due from financial institutions	—	—
Investments	11,363,777	10,050,774
Financing and receivables		
- Murabaha	4,440,047	4,377,344
- Ijara	754,323	932,855
- Diminishing Musharaka	787,542	560,639
- Export Refinance Murabaha	552,517	564,352
- Foreign Documentary Bills Purchased	—	10,935
	6,534,429	6,446,125
Other assets	803,270	1,247,975
	19,404,261	18,610,310
LIABILITIES		
Bills payable	69,061	123,105
Deposits and other accounts		
- Current accounts	1,547,704	1,635,512
- Saving deposits	2,907,863	3,108,458
- Fixed deposits	7,636,491	6,999,909
- Deposits from financial institutions - remunerative	4,266,574	2,996,860
- Deposits from financial institutions - non-remunerative	4,917	6,735
	16,363,549	14,747,474
Borrowings	552,517	564,352
Due to head office	498,260	597,648
Other liabilities	772,559	1,008,498
	18,255,946	17,041,077
NET ASSETS	1,148,315	1,569,233
REPRESENTED BY		
Islamic banking fund	1,002,267	1,002,249
Unappropriated profit	123,294	538,933
	1,125,561	1,541,182
Surplus on revaluation of assets	22,754	28,051
	1,148,315	1,569,233

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 20 April 2012.

KASSIM PAREKH
Chairman

SIRAJUDDIN AZIZ
President &
Chief Executive Officer

TARIQ IKRAM
Director

MOHAMEDALI R. HABIB
Director