



HABIB METROPOLITAN BANK LTD.

[Subsidiary of Habib Bank AG Zurich]

Consolidated Accounts for the nine months
ended 30 September 2018
(Un-audited)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2018

	Note	30 September 2018 (Un-Audited)	31 December 2017 (Audited)
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		50,897,743	42,282,249
Balances with other banks	6	1,152,259	1,234,380
Lendings to financial institutions	7	10,596,542	10,914,805
Investments	8	380,089,392	395,266,073
Advances	9	204,444,812	181,790,445
Operating fixed assets	10	3,274,721	3,418,407
Deferred tax assets	11	4,389,899	2,835,420
Other assets		11,563,425	13,383,645
		<u>666,408,793</u>	<u>651,125,424</u>
LIABILITIES			
Bills payable		9,108,067	9,383,752
Borrowings	12	93,878,466	67,323,249
Deposits and other accounts	13	508,739,640	517,685,132
Sub-ordinated loans		—	—
Liabilities against assets subject to finance lease		—	—
Deferred tax liabilities		—	—
Other liabilities		12,712,877	12,870,642
		<u>624,439,050</u>	<u>607,262,775</u>
NET ASSETS			
		<u>41,969,743</u>	<u>43,862,649</u>
REPRESENTED BY			
Share capital		10,478,315	10,478,315
Reserves		16,045,424	15,124,031
Unappropriated profit		14,638,834	14,159,430
		<u>41,162,573</u>	<u>39,761,776</u>
Non-controlling interest		3,116,800	3,167,652
		<u>44,279,373</u>	<u>42,929,428</u>
(Deficit) / surplus on revaluation of assets - net of tax	14	(2,309,630)	933,221
		<u>41,969,743</u>	<u>43,862,649</u>
CONTINGENCIES AND COMMITMENTS			
	15		

The annexed notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.

FUZAIL ABBAS
Chief Financial Officer

MOHSIN A. NATHANI
President &
Chief Executive Officer

SOHAIL HASAN
Director

MOHOMED BASHIR
Director

MOHAMEDALI R. HABIB
Chairman

**CONSOLIDATED CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018**

	Note	30 September 2018 Quarter ended	30 September 2018 Nine months ended	30 September 2017 Quarter ended	30 September 2017 Nine months ended
Rupees in '000					
Mark-up / return / interest earned		10,935,800	30,995,054	8,842,084	24,917,095
Mark-up / return / interest expensed		(6,855,958)	(18,923,189)	(5,259,901)	(14,359,821)
Net mark-up / interest income		4,079,842	12,071,865	3,582,183	10,557,274
Provision against non-performing loans and advances - net	9.3	(160,655)	333,095	(2,315)	643,122
Provision for diminution in the value of investments - net	8.1	31,392	55,873	3,606	84,749
Bad debts written-off directly		—	—	—	—
		129,263	(388,968)	(1,291)	(727,871)
Net mark-up / interest income after provisions		4,209,105	11,682,897	3,580,892	9,829,403
Non mark-up / interest income					
Fee, commission and brokerage income		901,238	2,780,435	858,626	2,570,506
Dividend income		17,340	68,130	51,933	403,254
Income from dealing in foreign currencies - net		387,092	1,126,667	421,100	800,063
Gain on sale / redemption of securities - net		11,424	93,383	(405,192)	358,950
Unrealized gain / (loss) on revaluation of investments classified as 'held-for-trading'		—	—	—	—
Other income		87,804	539,562	52,673	195,500
Total non mark-up / interest income		1,404,898	4,608,177	979,140	4,328,273
		5,614,003	16,291,074	4,560,032	14,157,676
Non mark-up / interest expenses					
Administrative expenses		2,911,160	8,632,715	2,729,562	7,925,498
Other provisions / write offs / (reversals)		—	(39,520)	50,000	152,515
Other charges		49,860	163,641	50,731	152,476
Total non mark-up / interest expenses		(2,961,020)	(8,756,836)	(2,830,293)	(8,230,489)
		2,652,983	7,534,238	1,729,739	5,927,187
Extraordinary / unusual items		—	—	—	—
Profit before taxation		2,652,983	7,534,238	1,729,739	5,927,187
Taxation - Current		874,226	2,600,286	475,830	2,128,646
- Prior years		—	—	—	423,084
- Deferred		134,194	215,494	154,608	(46,504)
		(1,008,420)	(2,815,780)	(630,438)	(2,505,226)
Profit after taxation		1,644,563	4,718,458	1,099,301	3,421,961
Profit attributable to:					
Equity share holders of the holding company		1,587,796	4,542,522	1,024,949	3,312,190
Non-controlling interest		56,767	175,936	74,352	109,771
		1,644,563	4,718,458	1,099,301	3,421,961
Basic and diluted earnings per share (Rupees)	16	1.52	4.34	0.98	3.16

The annexed notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.

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MOHSIN A. NATHANI
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SOHAIL HASAN
Director

MOHOMED BASHIR
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Chairman

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018**

	30 September 2018 Quarter ended	30 September 2018 Nine months ended	30 September 2017 Quarter ended	30 September 2017 Nine months ended
	Rupees in '000			
Profit after taxation for the period	1,644,563	4,718,458	1,099,301	3,421,961
Other comprehensive income				
Items not to be reclassified to profit or loss in subsequent periods:				
Actuarial gain on defined benefit plan	25,860	498	33,251	14,095
Related deferred tax (charge) / reversal	(8,696)	180	(11,951)	(5,247)
	17,164	678	21,300	8,848
Comprehensive income transferred to equity	1,661,727	4,719,136	1,120,601	3,430,809
Components of comprehensive income not reflected in equity				
Items to be reclassified to profit or loss in subsequent periods:				
Deficit on revaluation of available for sale securities	(2,225,047)	(5,010,648)	(1,478,045)	(1,874,114)
Related deferred tax reversal	782,712	1,769,800	513,094	646,491
	(1,442,335)	(3,240,848)	(964,951)	(1,227,623)
Total comprehensive income	219,392	1,478,288	155,650	2,203,186
Equity share holders of the holding company	147,286	1,251,093	93,402	2,078,937
Non-controlling interest	72,106	227,195	62,248	124,249
	219,392	1,478,288	155,650	2,203,186

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Chairman

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

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

	30 September 2018	30 September 2017
	Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,534,238	5,927,187
Less: Dividend income	(68,130)	(403,254)
	7,466,108	5,523,933
Adjustments for:		
Depreciation and amortization on operating fixed assets	711,504	620,797
Depreciation on non-banking assets	8,960	17,510
Provision against non-performing loans and advances - net	333,095	643,122
(Reversal) / provision against other assets	(41,250)	152,515
(Reversal) / provision for diminution in the value of investments - net	(149,085)	84,749
Net (gain) on sale of fixed assets	(3,210)	(9,479)
Net (gain) / loss on sale of non-banking assets	(202,282)	34,591
Net (gain) on sale of non-current assets-held for sale	(35,042)	-
Provision against defined benefit plan	113,058	106,459
	735,748	1,650,264
	8,201,856	7,174,197
(Increase) / decrease in operating assets		
Lendings to financial institutions	318,263	(14,655,853)
Advances	(22,987,462)	(25,718,014)
Other assets (excluding dividend and taxation)	941,585	(253,715)
	(21,727,614)	(40,627,582)
Increase / (decrease) in operating liabilities		
Bills payable	(275,685)	491,838
Borrowings	24,513,293	59,152,010
Deposits and other accounts	(8,945,492)	43,763,706
Other liabilities (excluding dividend payable)	(513,304)	917,466
	14,778,812	104,325,020
	1,253,054	70,871,635
Contribution paid to defined benefit plan	(1,209)	-
Income tax paid	(2,297,059)	(3,068,699)
Net cash flows from operating activities	(1,045,214)	67,802,936
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	5,095,267	(54,418,240)
Net investments in held-to-maturity securities	5,219,851	(6,502,718)
Consideration paid on acquisition of subsidiary	-	(209,325)
Net cash received on acquisition of subsidiary	-	151,939
Dividend income received	63,832	364,034
Investments in intangible and operating fixed assets	(579,131)	(648,332)
Proceeds from sale of operating fixed assets	14,523	11,251
Proceeds from sale of non-banking assets	600,000	225,000
Proceeds from sale of non-current assets-held for sale	250,000	-
Net cash flows from investing activities	10,664,342	(61,026,391)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(3,127,679)	(3,106,481)
Net cash flows from financing activities	(3,127,679)	(3,106,481)
Increase in cash and cash equivalents	6,491,449	3,670,064
Cash and cash equivalents at beginning of the period	41,364,640	36,931,854
Cash and cash equivalents at end of the period	47,856,089	40,601,918

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FUZAIL ABBAS	MOHSIN A. NATHANI	SOHAIL HASAN	MOHOMED BASHIR	MOHAMEDALI R. HABIB
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018**

	Reserves					Unappropriated profit	Sub total	Non-controlling interest	Total
	Share Capital	Share premium	Statutory reserve	Special reserve	Revenue reserve				
	Rupees in '000								
Balance as at 1 January 2017	10,478,315	2,550,985	9,642,529	240,361	1,500,000	12,796,778	37,208,968	-	37,208,968
Non-controlling interest on acquisition of subsidiary	-	-	-	-	-	-	-	3,156,225	3,156,225
Changes in equity for the period ended 30 September 2017									
Total comprehensive income - profit for the period	-	-	-	-	-	3,312,190	3,312,190	109,771	3,421,961
Other comprehensive income - net of tax	-	-	-	-	-	9,654	9,654	(806)	8,848
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	25,327	25,327	-	25,327
Transactions with owners, recorded directly in equity									
Cash dividend (Rs. 3.00 per share) for year ended 31 December 2016	-	-	-	-	-	(3,143,494)	(3,143,494)	-	(3,143,494)
Profit distribution by First Habib Modaraba (Rs. 1 per certificate) for the period ended 30 June 2017	-	-	-	-	-	-	-	(181,440)	(181,440)
Transfer to statutory reserve	-	-	739,485	-	-	(739,485)	-	-	-
Balance as at 30 September 2017	10,478,315	2,550,985	10,382,014	240,361	1,500,000	12,260,970	37,412,645	3,083,750	40,496,395
Changes in equity for the period ended 31 December 2017									
Total comprehensive income - profit for the period	-	-	-	-	-	2,358,534	2,358,534	84,424	2,442,958
Other comprehensive income - net of tax	-	-	-	-	-	(9,738)	(9,738)	(522)	(10,260)
Transactions with owners, recorded directly in equity									
Transfer from surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	335	335	-	335
Transfer to statutory reserve	-	-	450,671	-	-	(450,671)	-	-	-
Balance as at 31 December 2017	10,478,315	2,550,985	10,832,685	240,361	1,500,000	14,159,430	39,761,776	3,167,652	42,929,428
Changes in equity for the period ended 30 September 2018									
Total comprehensive income - profit for the period	-	-	-	-	-	4,542,522	4,542,522	175,936	4,718,458
Other comprehensive income - net of tax	-	-	-	-	-	(234)	(234)	912	678
Transferred from surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	2,003	2,003	-	2,003
Transactions with owners, recorded directly in equity									
Cash dividend (Rs. 3.00 per share) for year ended 31 December 2017	-	-	-	-	-	(3,143,494)	(3,143,494)	-	(3,143,494)
Profit distribution by First Habib Modaraba (Rs. 1.25 per certificate) for the period ended 30 June 2018	-	-	-	-	-	-	-	(226,800)	(226,800)
Profit distribution by Habib Metro Modaraba (Rs. 0.1 per certificate) for the period ended 30 June 2018	-	-	-	-	-	-	-	(900)	(900)
Transfer to statutory reserve	-	-	921,393	-	-	(921,393)	-	-	-
Balance as at 30 September 2018	10,478,315	2,550,985	11,754,078	240,361	1,500,000	14,638,834	41,162,573	3,116,800	44,279,373

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Chief Financial Officer

MOHSIN A. NATHANI
President &
Chief Executive Officer

SOHAIL HASAN
Director

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Director

MOHAMEDALI R. HABIB
Chairman

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

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

1. STATUS AND NATURE OF BUSINESS

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

Holding Company

Habib Metropolitan Bank Limited (the holding company) was incorporated in Pakistan on 3 August 1992 as a public limited company, under the Companies Ordinance, 1984 (now Companies Act 2017) and is engaged in commercial banking and related services. Its shares are listed on Pakistan Stock Exchange. The holding company operates 295 (31 December 2017: 286) branches including 29 (31 December 2017: 29) Islamic banking branches and 31 (31 December 2017: 34) sub branches in Pakistan. The holding company is a subsidiary of Habib Bank AG Zurich - Switzerland (the ultimate parent company with 51% shares in the holding company) which is incorporated in Switzerland. The registered office of the holding company is situated at Spencer's Building, II Chundrigar Road, Karachi.

Subsidiary Companies

Habib Metropolitan Financial Services Limited - 100% holding

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

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

Habib Metropolitan Modaraba Management Company (Private) Limited (the modaraba management company) was incorporated in Pakistan on 1 June 2015 as a private limited company under the Companies Ordinance, 1984 (now Companies Act 2017) and Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The registered office of the subsidiary company is located at Spencer's Building, II Chundrigar Road, Karachi.

First Habib Modaraba -10% holding

The modaraba management company acquired management rights and 10 percent of certificates of First Habib Modaraba (FHM). FHM is a perpetual, multi-purpose modaraba having its registered office at 6th Floor, HBZ Plaza, II Chundrigar Road, Karachi. It is listed on Pakistan Stock Exchange and engaged in the business of leasing (Ijarah), Musharaka, Murabaha financing and other related business.

Habib Metro Modaraba - 70% holding

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

2. BASIS OF PRESENTATION AND MEASUREMENT

- 2.1 These consolidated condensed interim financial statements comprise the financial statements of the holding company and its subsidiary companies. The financial statements of the subsidiary companies have been prepared using consistent accounting policies. The assets, liabilities, income and expenses of the subsidiary companies have been consolidated on a line by line basis. Intra-group balances and transactions have been eliminated for the purpose of consolidation.
- 2.2 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 consolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.
- 2.3 Key financial figures of the Islamic banking branches are disclosed in note 20 to these consolidated condensed interim financial statements.
- 2.4 These consolidated condensed interim financial statements have been prepared under the historical cost convention, except non-banking assets acquired in satisfaction of claims have been carried at revalued amount and certain investments and derivative financial instruments are carried at fair value.

3. STATEMENT OF COMPLIANCE

- 3.1 These consolidated condensed interim financial statements of the Group have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. These comprise of the International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, the Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017, provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017 and the directives issued by the SBP and the Securities and Exchange Commission of Pakistan (SECP). Whenever the requirement of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IAS 34 or IFAS, the requirement of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

3.2 The SBP vide BSD circular no. 10, dated August 26, 2002 has deferred the applicability of 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 SECP issued vide SRO 411(I)/2008 dated April 28, 2008, IFRS 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP. Moreover, segment information is being disclosed in accordance with the SBP's prescribed format as per BSD circular no. 4 dated 17 February 2006 which prevails over the requirement specified in IFRS 8.

3.3 The disclosures made in these consolidated condensed interim financial statements have been based on a format prescribed by the SBP vide BSD circular letter no. 2 dated May 12, 2004 and BPRD circular letter no. 5 dated February 29, 2016 and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2017.

4. ACCOUNTING POLICIES AND ESTIMATES

4.1 The accounting policies adopted 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 2017.

4.2 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 2017.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Group are consistent with that disclosed in the consolidated financial statements of the Group for the year ended 31 December 2017.

	Note	30 September 2018 (Un-Audited)	31 December 2017 (Audited)
		Rupees in '000	
6. BALANCES WITH OTHER BANKS			
In Pakistan			
Current accounts		189,710	42,432
Deposit accounts	6.1	213,462	189,788
		403,172	232,220
Outside Pakistan			
Current accounts		749,087	1,002,160
		1,152,259	1,234,380

6.1 This carries mark-up rate of 5.50% (31 December 2017: 3.26% to 4.09%) per annum.

7. LENDINGS TO FINANCIAL INSTITUTIONS

Call money lendings	7.1	3,000,000	3,000,000
Repurchase agreement lendings (Reverse repo)	7.2	2,296,542	346,890
Bai - Muajjal receivable from State Bank of Pakistan	7.3	–	3,567,915
Islamic Placement - Musharika	7.4	3,800,000	4,000,000
Letter of placements	7.5	1,500,000	–
		10,596,542	10,914,805

7.1 These carry mark-up rate of 8.50% (31 December 2017: 6.45%) per annum with maturity upto 01 October 2018 (31 December 2017: 5 January 2018).

7.2 These carry mark-up rates ranging from 7.65% to 7.95% (31 December 2017: 5.95% to 6.20%) per annum with maturity upto 01 October 2018 (31 December 2017: 18 March 2018).

7.3 These carry mark-up rates ranging from Nil (31 December 2017: 5.55% to 5.65%) per annum with maturity upto Nil (31 December 2017: 21 June 2018).

7.4 These carry mark-up rates ranging from 7.25% to 7.65% (31 December 2017: 5.70% to 5.85%) per annum with maturity upto 10 October 2018 (31 December 2017: 12 January 2018).

7.5 This carries mark-up rate of 7.90% (31 December 2017: Nil) per annum with maturity upto 1 October 2018 (31 December 2017: Nil).

8. INVESTMENTS

	Note	30 September 2018 (Un-Audited)			31 December 2017 (Audited)		
		Held by Group	Given as collateral	Total	Held by Group	Given as collateral	Total
		Rupees in '000					
Available-for-sale securities							
Market treasury bills		142,834,281	55,803,711	198,637,992	200,422,634	5,713,348	206,135,982
Pakistan investment bonds	8.2	117,091,114	3,028,629	120,119,743	93,614,556	24,235,650	117,850,206
Ordinary shares of listed companies		800,619	–	800,619	810,134	–	810,134
Ordinary shares of unlisted companies		106,991	–	106,991	106,991	–	106,991
Listed term finance certificates		3,423,896	–	3,423,896	2,787,900	–	2,787,900
Unlisted term finance certificates		89,610	–	89,610	114,430	–	114,430
Sukuk certificates and bonds		27,642,129	–	27,642,129	27,386,910	–	27,386,910
Open end mutual funds		461,807	–	461,807	1,170,634	–	1,170,634
Close end mutual funds		404,818	–	404,818	419,685	–	419,685
		292,855,265	58,832,340	351,687,605	326,833,874	29,948,998	356,782,872
Held-to-maturity securities							
Pakistan investment bonds	8.2	32,640,939	–	32,640,939	36,360,790	–	36,360,790
Certificates of investments		–	–	–	1,500,000	–	1,500,000
		32,640,939	–	32,640,939	37,860,790	–	37,860,790
Investments at cost		325,496,204	58,832,340	384,328,544	364,694,664	29,948,998	394,643,662
Provision for diminution in the value of investments	8.1	(388,287)	–	(388,287)	(537,372)	–	(537,372)
Investments - net of provisions		325,107,917	58,832,340	383,940,257	364,157,292	29,948,998	394,106,290
(Deficit) / surplus on revaluation of available-for-sale securities - net	14.2	(3,735,034)	(115,831)	(3,850,865)	2,536,133	(1,376,350)	1,159,783
Investments after revaluation of available-for-sale securities		321,372,883	58,716,509	380,089,392	366,693,425	28,572,648	395,266,073

	Note	30 September 2018 (Un-Audited)	31 December 2017 (Audited)
		Rupees in '000	
8.1	Particulars of provision for diminution in the value of investments		
	Opening balance	537,372	302,221
	Charge for the period / year	66,953	343,096
	Reversal for the period / year	(11,080)	–
	Net charge	55,873	343,096
	Investment written off during the period / year	(6,932)	–
	Reversal on disposal of investment during the period / year	(198,026)	(107,945)
	Closing balance	388,287	537,372

8.2 These carry mark-up rates ranging from 7.00% to 12.00% (31 December 2017: 7.00% to 12.00%) per annum and will mature up to 21 April 2026 (31 December 2017: 19 July 2022). These include Rs. 132,000 thousand (31 December 2017: Rs. 132,000 thousand) pledged with the State Bank of Pakistan against TT/DD discounting facilities and demand loan facilities.

9. ADVANCES

Loans, cash credits, running finances, etc.			
In Pakistan		163,384,115	139,671,812
Islamic financing and related assets (gross)	9.5	26,947,662	21,700,160
Net investments in finance lease			
In Pakistan		291,429	411,305
Bills discounted and purchased (excluding Market Treasury Bills)			
Payable in Pakistan		11,394,904	12,042,855
Payable outside Pakistan		19,069,876	24,390,736
		30,464,780	36,433,591
Advances - gross		221,087,986	198,216,868
Provision against non-performing advances			
– specific		(15,527,740)	(16,168,582)
– general		(1,115,434)	(257,841)
	9.3	(16,643,174)	(16,426,423)
Advances - net of provisions		204,444,812	181,790,445

- 9.1 Advances include Rs. 17,714,152 thousand (31 December 2017: Rs. 18,519,849 thousand) which have been placed under non-performing status as detailed below:

Category of classification	30 September 2018 (Un-Audited)			31 December 2017 (Audited)		
	Classified advances	Provision required	Provision held	Classified advances	Provision required	Provision held
Rupees in '000						
Substandard	114,966	1,068	1,068	118,214	15,870	15,870
Doubtful	94,790	–	–	4,996	–	–
Loss	17,504,396	15,526,672	15,526,672	18,396,639	16,152,712	16,152,712
	<u>17,714,152</u>	<u>15,527,740</u>	<u>15,527,740</u>	<u>18,519,849</u>	<u>16,168,582</u>	<u>16,168,582</u>

- 9.2 As allowed by the SBP, the bank has availed benefit of Forced Sale Value (FSV) of collaterals held as security of Rs. 2,052,793 thousand (31 December 2017: Rs. 2,260,109 thousand) while determining the provision requirement against non-performing advances. The profit arising from availing the FSV benefit - net of tax as at 30 September 2018 which is not available for distribution as either cash or stock dividend to shareholders and bonus to employees amounted to Rs. 1,334,315 thousand (31 December 2017: Rs. 1,469,071 thousand).

- 9.3 Particulars of provision against non-performing advances

	30 September 2018 (Un-Audited)			31 December 2017 (Audited)		
	Specific	General	Total	Specific	General	Total
Rupees in '000						
Opening balance	16,168,582	257,841	16,426,423	16,796,939	134,110	16,931,049
Charge for the period / year	523,404	857,593	1,380,997	1,052,345	123,731	1,176,076
Reversals for the period / year	(1,047,902)	–	(1,047,902)	(1,445,046)	–	(1,445,046)
Net charge for the period / year	(524,498)	857,593	333,095	(392,701)	123,731	(268,970)
Amount written off	(116,344)	–	(116,344)	(235,656)	–	(235,656)
Closing balance	<u>15,527,740</u>	<u>1,115,434</u>	<u>16,643,174</u>	<u>16,168,582</u>	<u>257,841</u>	<u>16,426,423</u>

- 9.4 General provision includes provision of Rs. 5,393 thousand (31 December 2017: Rs. 5,203 thousand) made against consumer portfolio and Rs. 41 thousand (31 December 2017: Rs. 36 thousand) made against Small Enterprise (SEs) portfolio as required by the Prudential Regulations issued by the SBP.

- 9.5 It includes loans and advances of First Habib Modarba amounting to Rs. 8,312,976 thousand (31 December 2017: Rs. 6,640,854 thousand), Habib Metro Modarba Rs. 245,927 thousand (31 December 2017: Nil) and the Islamic banking operations of the holding company amounting to Rs. 18,388,759 thousand as disclosed in note 20.6 to the consolidated condensed interim financial statements.

	Note	30 September 2018 (Un-Audited)	31 December 2017 (Audited)
Rupees in '000			
13. DEPOSITS AND OTHER ACCOUNTS			
Customers			
Fixed deposits		207,188,388	222,302,110
Saving deposits		131,638,316	120,998,273
Current accounts (non-remunerative)		136,137,285	132,884,616
Others		10,060,906	17,446,706
		485,024,895	493,631,705
Financial Institutions			
Remunerative deposits		21,412,049	21,431,271
Non-remunerative deposits		2,302,696	2,622,156
		23,714,745	24,053,427
		508,739,640	517,685,132
14. (DEFICIT) / SURPLUS ON REVALUATION OF ASSETS - NET OF DEFERRED TAX			
Non-banking assets	14.1	180,328	182,331
Available-for-sale securities	14.2	(2,489,958)	750,890
		(2,309,630)	933,221
14.1 Non-banking assets			
Surplus on revaluation of fixed assets as at 1 January		280,509	237,966
Revaluation of non-banking assets during the period / year		-	82,023
Transferred to unappropriated profit in respect of incremental depreciation during the period / year - net of deferred tax		(2,003)	(25,662)
Related deferred tax liability on incremental depreciation charged during the period / year		(1,078)	(13,818)
Surplus on revaluation of non banking assets		(3,081)	42,543
		277,428	280,509
Less: Related deferred tax liability on:			
Revaluation as at 1 January		98,178	83,288
Revaluation of non-banking assets during the period / year		-	28,708
Incremental depreciation charged during the period / year		(1,078)	(13,818)
		(1,078)	14,890
Related deferred tax liability		97,100	98,178
		180,328	182,331

	30 September 2018 (Un-Audited)	31 December 2017 (Audited)
	Rupees in '000	
14.2 Available-for-sale securities:		
Federal government securities		
Market treasury bills	(28,531)	(5,208)
Pakistan investment bonds	(3,734,741)	967,602
GOP ijarah sukuk	(257,025)	148,112
Fully paid-up ordinary shares and mutual funds	174,915	42,395
Term finance certificates, sukuk certificates and bonds		
Listed term finance certificates	(17,709)	(3,949)
Sukuk certificates and bonds	12,226	10,831
	(3,850,865)	1,159,783
Related deferred tax asset / (liability) - net	1,360,907	(408,893)
	(2,489,958)	750,890
15. CONTINGENCIES AND COMMITMENTS		
15.1 Direct credit substitutes		
Bank guarantees in favour of banking companies and other financial institutions	-	-
15.2 Transaction-related contingent liabilities		
Includes performance bonds, bid bonds, advance payment guarantees and shipping guarantees in favour of:		
i) Government	36,286,127	27,732,564
ii) Banking companies and other financial institutions	2,480,440	1,367,885
iii) Others	11,832,336	13,719,512
	50,598,903	42,819,961
15.3 Trade-related contingent liabilities		
Letters of credit	78,522,637	79,477,866
Acceptances	11,993,347	16,144,323
15.4 Commitments in respect of forward exchange contracts		
Purchase	120,732,520	78,728,094
Sale	71,143,410	48,559,582

	30 September 2018 (Un-Audited)	31 December 2017 (Audited)
	Rupees in '000	
15.5 Commitments for the acquisition of operating fixed assets	<u>76,146</u>	<u>25,281</u>
15.6 Claims against bank not acknowledged as debt	<u>24,370,638</u>	<u>22,494,508</u>

15.7 Commitments in respect of forward lendings

The Group 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.

15.8 Commitments in respect of financing transactions	<u>471,750</u>	<u>152,500</u>
15.9 Commitments in respect of syndicate financing	<u>-</u>	<u>207,279</u>

15.10 Taxation

Income tax assessments of the group have been finalised upto the tax year 2017 (corresponding to the accounting year ended 31 December 2016). Certain appeals are pending with the Commissioner of Inland Revenue (Appeal) and Appellate Tribunal Revenue (ATIR). However, adequate provisions are being held by the Group.

15.11 Foreign Exchange repatriation case

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

16. BASIC AND DILUTED EARNINGS PER SHARE

	30 September 2018 (Un-Audited)		30 September 2017	
	Quarter ended	Nine months ended	Quarter ended	Nine months ended
	Rupees in '000			
Profit attributable to equity shareholders of the holding company	<u>1,587,796</u>	<u>4,542,522</u>	<u>1,024,949</u>	<u>3,312,190</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>1.52</u>	<u>4.34</u>	<u>0.98</u>	<u>3.16</u>

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

On balance sheet financial instruments

30 September 2018 (Un-Audited)					
	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
(Rupees in '000)					
Financial assets measured at fair value					
- Investments					
- Available-for-sale securities					
Federal government securities	341,280,652	-	341,280,652	-	341,280,652
Sukuk certificates and bonds	1,064,804	-	1,064,804	-	1,064,804
Ordinary shares of listed companies	754,018	754,018	-	-	754,018
Mutual funds	920,716	920,716	-	-	920,716
Listed term finance certificates	3,331,870	3,331,870	-	-	3,331,870
Unlisted term finance certificates	68,472	-	68,472	-	68,472
Financial assets not measured at fair value	309,437,717	-	-	-	-
	656,858,249	5,006,604	342,413,928	-	347,420,532
Financial liabilities not measured at fair value					
	(622,778,848)	-	-	-	-
	34,079,401	5,006,604	342,413,928	-	347,420,532

31 December 2017 (Audited)					
	Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total
(Rupees in '000)					
Financial assets measured at fair value					
- Investments					
- Available-for-sale securities					
Federal government securities	350,542,073	–	350,542,073	–	350,542,073
Sukuk certificates and bonds	1,904,562	–	1,904,562	–	1,904,562
Ordinary shares of listed companies	741,041	741,041	–	–	741,041
Mutual funds	1,402,494	1,402,494	–	–	1,402,494
Listed term finance certificates	2,701,393	2,701,393	–	–	2,701,393
Unlisted term finance certificates	85,590	–	85,590	–	85,590
Financial assets not measured at fair value	284,918,773	–	–	–	–
	642,295,926	4,844,928	352,532,225	–	357,377,153
Financial liabilities not measured at fair value					
	(605,862,659)	–	–	–	–
	36,433,267	4,844,928	352,532,225	–	357,377,153

Off- balance sheet financial instruments

	30 September 2018 (Un-Audited)		31 December 2017 (Audited)	
	Contracted Value	Fair Value	Contracted Value	Fair Value
	Rupees in '000			
Forward purchase of foreign exchange contracts	120,732,520	120,990,309	78,728,094	81,575,492
Forward sale of foreign exchange contracts	71,143,410	71,249,386	48,559,582	50,180,677
			30 September 2018 (Un-Audited)	31 December 2017 (Audited)
			Rupees in '000	
Reconciliation of net assets to financial instruments				
Net financial assets			34,079,401	36,433,267
Non financial assets / (liabilities)				
- Operating fixed assets			3,274,721	3,418,407
- Deferred tax asset			4,389,899	2,835,420
- Other assets			1,885,924	2,575,671
- Other liabilities			(1,660,202)	(1,400,116)
Net assets as per statement of financial position			41,969,743	43,862,649

18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES (UN-AUDITED)

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

	30 September 2018			
	Trade & Sales	Retail banking	Commercial banking	Total
	Rupees in '000			
Total income *	21,271,558	2,849,119	24,403,844	48,524,521
Total expenses *	(20,590,751)	(2,403,596)	(17,995,936)	(40,990,283)
Net income	680,807	445,523	6,407,908	7,534,238
Segment assets	399,263,942	9,314,539	257,830,312	666,408,793
Segment liabilities	63,017,301	74,010,624	487,411,125	624,439,050
	30 September 2017			
	Trade & Sales	Retail banking	Commercial banking	Total
	Rupees in '000			
Total income *	18,040,222	3,095,338	21,913,940	43,049,500
Total expenses *	(17,137,143)	(1,687,604)	(18,297,566)	(37,122,313)
Net income	903,079	1,407,734	3,616,374	5,927,187
Segment assets	412,035,898	1,727,421	224,388,567	638,151,886
Segment liabilities	72,403,204	66,106,575	457,703,837	596,213,616

* Includes Rs. 12,921,290 thousand (30 September 2017: Rs. 13,717,562 thousand) of inter-segment revenues and expenses.

19. TRANSACTIONS WITH RELATED PARTIES

The Group has related party relationships with its ultimate parent company, companies with common directorship, key management personnel, directors and employee's 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 2018 (Un-Audited)					
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000					
Deposits						
At beginning of the period	731,705	21,052,145	168,539	675,958	2,404,119	25,032,466
Received during the period	6,685,660	1,210,307,777	331,558	1,791,440	4,047,551	1,223,163,986
Repaid during the period	(7,032,214)	(1,215,192,880)	(389,280)	(1,768,366)	(3,130,501)	(1,227,513,241)
At end of the period	385,151	16,167,042	110,817	699,032	3,321,169	20,683,211
Advances						
At beginning of the period	2,204	1,704,636	172,585	-	-	1,879,425
Disbursed during the period	-	51,331,372	43,039	-	-	51,374,411
Recovered during the period	(1,042)	(51,307,852)	(77,094)	-	-	(51,385,988)
At end of the period	1,162	1,728,156	138,530	-	-	1,867,848
Bank balances held by the Group	100,403	27,958	-	-	-	128,361
Overdrawn bank balances held by the Group	-	14,805	-	-	-	14,805
Investment in certificate of investment	-	-	-	-	23,544	23,544
Mark-up / return / interest receivable	-	3,539	-	-	-	3,539
Mark-up / return / interest payable	-	382,312	945	2,611	572,026	957,894
Management fee payable for technical and consultancy services*	120,374	-	-	-	-	120,374
Prepayments / advance deposits	-	13,894	-	-	-	13,894
Insurance premium payable	-	3,128	-	-	-	3,128
Transaction-related contingent liabilities	-	7,501,966	-	-	-	7,501,966
Trade-related contingent liabilities	-	1,223,482	-	-	-	1,223,482
Receivable / (payable) against purchase / (sale) of securities	(10,405)	-	(371)	-	-	(10,776)

* Management fee is as per the agreement with the ultimate parent company.

31 December 2017 (Audited)

	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000					
Deposits						
At beginning of the year	503,799	19,992,444	129,686	538,535	1,666,278	22,830,742
Received during the year	15,941,979	1,576,776,036	689,483	3,844,414	2,113,317	1,599,365,229
Repaid during the year	(15,714,073)	(1,575,716,335)	(650,630)	(3,706,991)	(1,375,476)	(1,597,163,505)
At end of the year	731,705	21,052,145	168,539	675,958	2,404,119	25,032,466
Advances						
At beginning of the year	–	3,184,499	144,644	–	–	3,329,143
Disbursed during the year	2,204	52,778,815	81,721	–	–	52,862,740
Recovered during the year	–	(54,258,678)	(53,780)	–	–	(54,312,458)
At end of the year	2,204	1,704,636	172,585	–	–	1,879,425
Certificate of investment	–	–	–	–	26,502	26,502
Bank balances held by the Group	172,044	53,133	–	–	–	225,177
Overdrawn bank balances held by the Group	–	9,459	–	–	–	9,459
Mark-up / return / interest receivable	–	5,960	–	–	–	5,960
Mark-up / return / interest payable	–	281,861	3,808	2,162	543,364	831,195
Management fee payable for technical and consultancy services*	225,673	–	–	–	–	225,673
Prepayments / advance deposits	–	8,388	–	–	–	8,388
Insurance premium and other payable	–	2,929	–	–	–	2,929
Transaction-related contingent liabilities	–	6,604,326	–	–	–	6,604,326
Trade-related contingent liabilities	–	2,444,319	–	–	–	2,444,319
Receivable / (payable) against purchase / (sale) of securities	8,421	–	–	(322)	–	8,099

* Management fee is as per the agreement with the ultimate parent company.

Transactions during the period	For the period ended 30 September 2018 (Un-Audited)					
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000					
Mark-up / return / interest earned	260	51,695	4,867	–	–	56,822
Mark-up / return / interest expensed	–	757,420	3,973	26,022	248,845	1,036,260
Commission / brokerage / bank charges recovered	3,777	113,990	–	22	–	117,789
Commission / brokerage / bank charges paid	742	1,040	–	–	–	1,782
Rent income	4,212	–	–	–	–	4,212
Salaries and allowances	–	–	204,659	–	–	204,659
Directors' fees	–	–	–	3,300	–	3,300
Charge to defined benefit plan	–	–	–	–	114,499	114,499
Contribution to defined contribution plan	–	–	–	–	136,042	136,042
Rent expenses	–	9,800	–	–	–	9,800
Insurance premium expenses	–	10,602	–	–	–	10,602
Maintenance, electricity, stationery & entertainment expenses	–	51,887	–	–	–	51,887
Management fee expense for technical and consultancy services*	246,852	–	–	–	–	246,852
Donation	–	16,357	–	–	–	16,357
Professional / other charges paid	–	8,625	–	–	–	8,625

* Management fee is as per the agreement with the ultimate parent company.

Transactions during the period	For the period ended 30 September 2017 (Un-Audited)					
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000					
Mark-up / return / interest earned	<u>–</u>	<u>60,285</u>	<u>5,360</u>	<u>–</u>	<u>–</u>	<u>65,645</u>
Mark-up / return / interest expensed	<u>–</u>	<u>874,759</u>	<u>7,723</u>	<u>14,247</u>	<u>146,470</u>	<u>1,043,199</u>
Commission / brokerage / bank charges recovered	<u>6,869</u>	<u>148,265</u>	<u>–</u>	<u>192</u>	<u>–</u>	<u>155,326</u>
Commission / brokerage / bank charges paid	<u>732</u>	<u>825</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,557</u>
Rent income	<u>4,212</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>4,212</u>
Salaries and allowances	<u>–</u>	<u>–</u>	<u>283,509</u>	<u>–</u>	<u>–</u>	<u>283,509</u>
Directors' fees	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,650</u>	<u>–</u>	<u>2,650</u>
Charge to defined benefit plan	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>107,449</u>	<u>107,449</u>
Contribution to defined contribution plan	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>129,268</u>	<u>129,268</u>
Rent expenses	<u>–</u>	<u>9,144</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>9,144</u>
Insurance premium expenses	<u>–</u>	<u>46,895</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>46,895</u>
Maintenance, electricity, stationery & entertainment expenses	<u>–</u>	<u>51,479</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>51,479</u>
Management fee expense for technical and consultancy services*	<u>192,223</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>192,223</u>
Donation	<u>–</u>	<u>26,880</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>26,880</u>

* Management fee is as per the agreement with the ultimate parent company.

20. KEY ISLAMIC BANKING OPERATIONS

- 20.1 The Bank is operating 29 (31 December 2017: 29) Islamic Banking branches in Pakistan. The statement of financial position and profit and loss account of these branches as at 30 September 2018 are as follows:

Statement of Financial Position As at 30 September 2018

	Note	30 September 2018 (Un-Audited)	31 December 2017 (Audited)
Rupees in '000			
Assets			
Cash and balances with treasury banks		2,228,552	2,540,250
Balances with other banks		—	—
Due from financial institutions		3,800,000	7,567,915
Investments		15,860,750	28,340,952
Islamic financing and related assets	20.6	17,969,402	13,872,126
Operating fixed assets		85,685	107,070
Deferred tax assets		—	—
Other assets		2,333,433	1,378,555
		<u>42,277,822</u>	<u>53,806,868</u>
Liabilities			
Bills payable		634,322	658,486
Due to financial institutions		1,589,994	1,850,668
Deposits and other accounts			
- Current accounts		7,318,793	8,057,204
- Saving accounts		16,054,203	13,597,942
- Term deposits		12,389,460	17,123,561
- Others		436,362	270,810
- Deposits from financial institutions - remunerative		1,022,445	9,104,551
- Deposits from financial institutions - non-remunerative		211,288	152,223
		<u>37,432,551</u>	<u>48,306,291</u>
Due to head office		—	—
Other liabilities		417,112	542,718
		<u>40,073,979</u>	<u>51,358,163</u>
Net assets		<u><u>2,203,843</u></u>	<u><u>2,448,705</u></u>
Represented by			
Islamic banking fund		2,003,106	2,002,760
Reserves		—	—
Unappropriated profit		279,752	283,058
		<u>2,282,858</u>	<u>2,285,818</u>
Surplus on revaluation of assets		(79,015)	162,887
		<u><u>2,203,843</u></u>	<u><u>2,448,705</u></u>

20.2 Profit and loss account For the nine months ended 30 September 2018

	30 September 2018 (Un-Audited)	30 September 2017 (Un-Audited)
	Rupees in '000	
Profit / return on financing, investments and placements earned	1,929,054	1,845,610
Profit / return on deposit and other dues expensed	(1,295,530)	(1,356,521)
Net spread earned	633,524	489,089
Provision against non performing financing - net	32,482	4,580
Provision for diminution in the value of investments	—	—
Provision for consumer financing lijarah	—	—
Bad debts written off directly	—	—
	(32,482)	(4,580)
Net spread after provisions	601,042	484,509
Other income		
Fee, commission and brokerage income	97,553	65,589
Dividend income	—	—
Income from dealing in foreign currencies - net	21,542	15,624
(Loss) / gain on sale / redemption of securities - net	(56)	14,010
Unrealized gain / (loss) on revaluation of investments classified as 'held-for-trading'	—	—
Other income	12,969	9,071
Total other income	132,008	104,294
	733,050	588,803
Other expenses		
Administrative expenses	453,191	371,335
Other provisions / write offs	—	—
Other charges	107	2,803
Total other expenses	(453,298)	(374,138)
	279,752	214,665
Extraordinary / unusual items	—	—
Profit before taxation	279,752	214,665
	6,312	6,155

20.3 Remuneration to Shariah Advisor / Board

	30 September 2018 (Un-Audited)	31 December 2017 (Audited)
	Rupees in '000	
Opening balance	479	327
Additions during the period / year		
Received from customers on delayed payments	115	152
Other non-shariah compliant income	50	—
	165	152
Payments / utilization during the period / year		
Education	(120)	—
Health	(359)	—
	(479)	—
Closing balance	165	479

20.4 Charity Fund

	30 September 2018 (Un-Audited)	31 December 2017 (Audited)
	Rupees in '000	
20.5 Financings / investments / receivables		
Murabaha financing		
Murabaha receivable - gross	5,298,069	4,348,615
Less: Deferred murabaha income	(160,077)	(126,098)
Advance against murabaha	426,590	300,727
	5,564,582	4,523,244
Provision against murabaha financing	(398,261)	(362,163)
	5,166,321	4,161,081
Ijarah		
Asset held for ijarah	644,082	549,812
Less: Accumulated depreciation	(221,066)	(138,701)
Advance against ijarah	22,706	114,290
	445,722	525,401
Provision against ijarah financing	(21,096)	(22,821)
	424,626	502,580
Diminishing musharakah		
Diminishing musharakah - gross	5,103,031	5,405,867
Less: Unrealised income on diminishing musharakah	(677,277)	(765,831)
Advance against diminishing musharakah	555,225	324,624
	4,980,979	4,964,660
Provision against diminishing musharakah	—	(1,891)
	4,980,979	4,962,769
Export refinance murabaha		
Export refinance murabaha receivable - gross	342,401	636,827
Less: Deferred export refinance murabaha income	(5,030)	(8,810)
Advance against murabaha IERF	106,788	6,880
	444,159	634,897
Istisna financing		
Istisna financing - gross	1,009,154	562,381
Less: Deferred istisna income	(248,421)	(153,474)
Advance against istisna	1,003,664	364,896
	1,764,397	773,803
Advance against export refinance istisna		
Export refinance istisna receivable - gross	81,485	764,706
Less: Deferred export refinance istisna income	(39,233)	(114,706)
Advance against istisna IERF	1,207,749	600,000
	1,250,001	1,250,000

	30 September 2018 (Un-Audited)	31 December 2017 (Audited)
	Rupees in '000	
Al-Bai financing	603,774	13,104
Al-Bai goods	387,145	172,892
Istisna goods	15,000	–
Working capital musharaka	2,933,000	1,401,000
20.6 Islamic mode of financing		
Financings / investments / receivables	14,663,892	12,374,692
Advances	3,322,722	1,711,417
Assets / inventories	402,145	172,892
Gross Islamic financing and related assets	18,388,759	14,259,001
Provision against financing and related assets	(419,357)	(386,875)
	17,969,402	13,872,126

21. GENERAL

21.1 The figures have been rounded off to the nearest thousand rupees, unless otherwise mentioned.

22. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue by the Board of Directors on 24 October 2018.

FUZAIL ABBAS
Chief Financial Officer

MOHSIN A. NATHANI
President &
Chief Executive Officer

SOHAIL HASAN
Director

MOHOMED BASHIR
Director

MOHAMEDALI R. HABIB
Chairman

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