



[Subsidiary of Habib Bank AG Zurich]

Habib Metropolitan Bank Ltd.

[Subsidiary of Habib Bank AG Zurich]

Consolidated Accounts for the quarter
ended 31 March 2022
(Un-audited)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Note	31 March 2022 (Un-Audited)	31 December 2021 (Audited)
<hr/> Rupees in '000 <hr/>			
ASSETS			
Cash and balances with treasury banks	6	77,886,484	83,386,045
Balances with other banks	7	5,334,218	3,203,963
Lendings to financial institutions	8	29,964,138	3,941,284
Investments	9	660,071,808	664,937,053
Advances	10	443,523,374	411,792,976
Fixed assets	11	12,516,733	12,077,475
Intangible assets	12	157,516	163,187
Deferred tax assets	13	3,221,180	3,218,163
Other assets	14	62,517,441	52,471,202
		<u>1,295,192,892</u>	<u>1,235,191,348</u>
LIABILITIES			
Bills payable	15	33,282,105	17,944,644
Borrowings	16	356,539,042	322,779,155
Deposits and other accounts	17	773,015,000	771,649,729
Liabilities against assets subject to finance lease		—	—
Sub-ordinated debts		—	—
Deferred tax liabilities		—	—
Other liabilities	18	65,473,615	55,928,557
		<u>1,228,309,762</u>	<u>1,168,302,085</u>
NET ASSETS		<u>66,883,130</u>	<u>66,889,263</u>
REPRESENTED BY			
Share capital		10,478,315	10,478,315
Reserves		23,615,916	22,898,760
Deficit on revaluation of assets - net of tax	19	(867,756)	(357,063)
Unappropriated profit		<u>30,078,589</u>	<u>30,370,219</u>
		63,305,064	63,390,231
Non-controlling interest		<u>3,578,066</u>	<u>3,499,032</u>
		<u>66,883,130</u>	<u>66,889,263</u>
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes 1 to 38 form an integral part of these consolidated condensed interim financial statements.

FUZAIL ABBAS
Chief Financial Officer

MOHSIN A. NATHANI
President &
Chief Executive Officer

MOHOMED BASHIR
Director

RASHID AHMED JAFER
Director

MOHAMEDALI R. HABIB
Chairman

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2022

	Note	31 March 2022	31 March 2021
		Rupees in '000	
Mark-up / return / interest earned	22	23,744,171	17,540,956
Mark-up / return / interest expensed	23	(15,806,948)	(10,026,213)
Net mark-up / interest income		7,937,223	7,514,743
Non mark-up / interest income			
Fee and commission income	24	1,899,555	1,656,724
Dividend income		69,090	39,523
Foreign exchange income		1,332,040	479,646
Income / (loss) from derivatives		-	-
Gain / (loss) on securities - net	25	49,705	1,531
Other income	26	14,605	6,477
Total non mark-up / interest income		3,364,995	2,183,901
Total income		11,302,218	9,698,644
Non mark-up / interest expenses			
Operating expenses	27	4,734,879	3,724,625
Workers' welfare fund		116,378	109,029
Other charges	28	20,242	8,481
Total non-mark-up / interest expenses		(4,871,499)	(3,842,135)
Profit before provisions		6,430,719	5,856,509
Provisions and write offs - net	29	(408,299)	(989,923)
Extra ordinary / unusual items		-	-
Profit before taxation		6,022,420	4,866,586
Taxation	30	(2,339,809)	(1,537,139)
Profit after taxation		3,682,611	3,329,447
PROFIT ATTRIBUTABLE TO:			
Equity shareholders of the holding company		3,602,372	3,245,431
Non-controlling interest		80,239	84,016
		3,682,611	3,329,447
		Rupees	
Basic and diluted earnings per share	31	3.44	3.10

The annexed notes 1 to 38 form an integral part of these consolidated condensed interim financial statements.

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Chairman

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**
FOR THE QUARTER ENDED 31 MARCH 2022

	31 March 2022	31 March 2021
	Rupees in '000	
Profit after taxation for the period	3,682,611	3,329,447
Other comprehensive income		
Items that may be reclassified to profit and loss in subsequent periods:		
Effect of translation of net investment in an offshore branch - net of tax	328	(116)
Movement in surplus on revaluation of investments - net of tax	(507,432)	(1,618,405)
Items that will not be reclassified to profit and loss in subsequent periods:		
Remeasurement (loss) / gain on defined benefit obligations - net of tax	(38,146)	(39,206)
Movement in surplus on revaluation of non-banking assets due to change in tax rate	-	(13,661)
Total comprehensive income	3,137,361	1,658,059
Equity shareholders of the holding company	3,058,327	1,561,073
Non-controlling interest	79,034	96,986
	3,137,361	1,658,059

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Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH 2022

	Reserves					Surplus / (deficit) on revaluation						
	Share capital	Share premium	Special reserve	Revenue reserve	Statutory reserve	Exchange translation reserve	Investments	Non-banking assets	Un-appropriated profit	Sub total	Non-controlling interest	Total
	Rupees in '000											
Balance as at 1 January 2021	10,478,315	2,550,985	240,361	1,500,000	15,838,056	113	2,961,171	221,970	24,207,141	57,998,112	3,339,639	61,337,751
Profit after taxation for the period	-	-	-	-	-	-	-	-	3,245,431	3,245,431	84,016	3,329,447
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
- net of tax	-	-	-	-	-	(116)	(1,631,375)	(13,661)	(39,206)	(1,684,358)	12,970	(1,671,388)
Total comprehensive income	-	-	-	-	-	(116)	(1,631,375)	(13,661)	3,206,225	1,561,073	96,986	1,658,059
Transfer to statutory reserve	-	-	-	-	645,179	-	-	-	(645,179)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit	-	-	-	-	-	-	-	-	-	-	-	-
- net of tax	-	-	-	-	-	-	-	(799)	799	-	-	-
Transactions with owners, recorded directly in equity												
Cash dividend (Rs. 2.50 per share) for the year ended 31 December 2020	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)	-	(2,619,579)
Balance as at 31 March 2021	10,478,315	2,550,985	240,361	1,500,000	16,483,235	(3)	1,329,796	207,510	24,149,407	56,939,606	3,436,625	60,376,231
Profit after taxation for the period	-	-	-	-	-	-	-	-	10,272,283	10,272,283	260,541	10,532,824
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
- net of tax	-	-	-	-	-	1,764	(3,058,948)	1,314,275	16,914	(1,725,995)	59,482	(1,666,513)
Total comprehensive income	-	-	-	-	-	1,764	(3,058,948)	1,314,275	10,289,197	8,546,288	320,023	8,866,311
Transfer to statutory reserve	-	-	-	-	2,122,418	-	-	-	(2,122,418)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit	-	-	-	-	-	-	-	-	-	-	-	-
- net of tax	-	-	-	-	-	-	-	(149,696)	149,696	-	-	-
Transactions with owners, recorded directly in equity												
Interim dividend (Rs. 2.00 per share) for the year ended 31 December 2021	-	-	-	-	-	-	-	-	(2,095,663)	(2,095,663)	-	(2,095,663)
Profit distribution by First Habib Modaraba (Rs. 1.40 per certificate) for the period ended 30 June 2021	-	-	-	-	-	-	-	-	-	-	(254,016)	(254,016)
Profit distribution by Habib Metropolitan Modaraba (Rs. 0.40 per certificate) for the period ended 30 June 2021	-	-	-	-	-	-	-	-	-	-	(3,600)	(3,600)
Balance as at 31 December 2021	10,478,315	2,550,985	240,361	1,500,000	18,605,653	1,761	(1,729,152)	1,372,089	30,370,219	63,390,231	3,499,032	66,889,263
Profit after taxation	-	-	-	-	-	-	-	-	3,602,372	3,602,372	80,239	3,682,611
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
- net of tax	-	-	-	-	-	328	(506,227)	-	(38,146)	(544,045)	(1,205)	(545,250)
Total comprehensive income	-	-	-	-	-	328	(506,227)	-	3,564,226	3,058,327	79,034	3,137,361
Transfer to statutory reserve	-	-	-	-	716,828	-	-	-	(716,828)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit	-	-	-	-	-	-	-	-	-	-	-	-
- net of tax	-	-	-	-	-	-	-	(4,466)	4,466	-	-	-
Transactions with owners, recorded directly in equity												
Cash dividend (Rs. 3.00 per share) for the year ended 31 December 2021	-	-	-	-	-	-	-	-	(3,143,494)	(3,143,494)	-	(3,143,494)
Balance as at 31 March 2022	10,478,315	2,550,985	240,361	1,500,000	19,322,481	2,089	(2,235,379)	1,367,623	30,078,589	63,305,064	3,578,066	66,883,130

The annexed notes 1 to 38 form an integral part of these consolidated condensed interim financial statements.

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Chairman

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED 31 MARCH 2022

	Note	31 March 2022	31 March 2021
		Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation for the period		6,022,420	4,866,586
Less: Dividend income		(69,090)	(39,523)
		<u>5,953,330</u>	<u>4,827,063</u>
Adjustments			
Depreciation on operating fixed assets		331,026	270,477
Depreciation on right-of-use assets		299,462	229,363
Depreciation on non-banking assets		14,413	9,174
Amortization		18,991	16,475
Mark-up / return / interest expensed on lease liability against right-of-use assets		199,208	126,164
Provisions and write offs excluding recovery of written off bad debts	29	434,647	990,423
Unrealized gain on securities - held-for-trading		-	18
Net gain on sale of fixed assets		(3,118)	(3,831)
Provision against workers welfare fund		116,378	109,029
Provision against compensated absences		13,422	10,511
Provision against defined benefit plan		56,912	44,046
		<u>1,481,341</u>	<u>1,801,849</u>
		7,434,671	6,628,912
(Increase) / decrease in operating assets			
Lendings to financial institutions		(26,022,854)	(9,999,500)
Advances		(32,150,628)	(35,459,996)
Other assets (excluding current taxation, dividend and non-banking assets)		(2,286,570)	(2,098,587)
		<u>(60,460,052)</u>	<u>(47,558,083)</u>
Increase / (decrease) in operating liabilities			
Bills payable		15,337,461	417,712
Borrowings from financial institutions		19,016,387	18,555,097
Deposits and other accounts		1,365,271	34,053,078
Other liabilities (excluding current taxation)		1,792,369	3,580,093
		<u>37,511,488</u>	<u>56,605,980</u>
		(15,513,893)	15,676,809
Payment against compensated absences		(8,296)	(4,489)
Contribution to defined benefit plan		-	(1,275)
Income tax paid		(2,337,227)	(1,141,770)
Net cash flow generated from / (used in) operating activities		<u>(17,859,416)</u>	<u>14,529,275</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in held-for-trading securities		-	(5,833,096)
Net investments in available-for-sale securities		2,015,096	(4,959,634)
Net investments in held-to-maturity securities		2,006,425	84,744
Dividend received		22,044	34,643
Investments in fixed assets		(771,826)	(295,953)
Investments in intangible assets		(13,318)	(71,064)
Proceeds from sale of fixed assets		6,369	5,845
Effect of translation of net investment in an offshore branch		538	(116)
Net cash flow generated from / (used in) investing activities		<u>3,265,328</u>	<u>(11,034,631)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(3,168,669)	(917,622)
Payment of lease liability against right-of-use assets		(350,049)	(305,020)
Net cash used in financing activities		<u>(3,518,718)</u>	<u>(1,222,642)</u>
Increase in cash and cash equivalents		<u>(18,112,806)</u>	<u>2,272,002</u>
Cash and cash equivalents at beginning of the period		<u>86,560,259</u>	<u>52,649,776</u>
Cash and cash equivalents at end of the period		<u>68,447,453</u>	<u>54,921,778</u>

The annexed notes 1 to 38 form an integral part of these consolidated condensed interim financial statements.

FUZAIL ABBAS	MOHSIN A. NATHANI	MOHOMED BASHIR	RASHID AHMED JAFER	MOHAMEDALI R. HABIB
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 31 MARCH 2022

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 (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 the Pakistan Stock Exchange. The holding company operates 463 (31 December 2021: 459) branches, including 49 (31 December 2021: 49) Islamic banking branches and an offshore branch (Karachi Export Processing Zone branch), and 30 (31 December 2021: 30) 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 HabibMetro Head Office, II Chundrigar Road, Karachi.

Subsidiary Companies

Habib Metropolitan Financial Services Limited - 100% holding

Habib Metropolitan Financial Services Limited 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. The subsidiary company is a corporate member of the Pakistan Stock Exchange Limited and engaged in equity brokerage services.

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

Habib Metropolitan Modaraba Management Company (Private) Limited (Modaraba management company) was incorporated in Pakistan on 01 June 2015 as a private limited 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 6th Floor, HBZ Plaza, II Chundrigar Road, Karachi.

First Habib Modaraba - 10% holding

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

Habib Metro Modaraba - 70% holding

Habib Metro Modaraba (HMM) which is a perpetual, multi-purpose modaraba having its registered office at 3rd floor Al-Manzoor Building, II 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 / musharaka 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 PREPARATION

- 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 for the same reporting period as the holding company using consistent accounting policies.

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic mode, 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 banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such, but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

Key financial figures of the Islamic banking branches of the holding company are disclosed in note 36 to these consolidated financial statements.

2.2 Statement of Compliance

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements 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 the IAS 34 or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

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) through S.R.O. No. 411 (1) / 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 consolidated financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

The Securities and Exchange Commission of Pakistan (SECP) has notified Islamic Financial Accounting Standard (IFAS) 3, 'Profit and Loss Sharing on Deposits' issued by the Institute of Chartered Accountants of Pakistan. IFAS 3 shall be followed with effect from the financial periods beginning on or after 1 January 2014 in respect of accounting for transactions relating to 'Profit and Loss Sharing on Deposits' as defined by the said standard. The standard has resulted in certain new disclosures in the financial statements of the holding company.

The SBP through BPRD Circular Letter No. 4 dated 25 February 2015, has deferred the applicability of IFRS 3 till further instructions and prescribed the Banks to prepare their annual and periodical financial statements as per existing prescribed formats issued vide BPRD Circular 02 of 2018, as amended from time to time.

The disclosures and presentation made in these consolidated condensed interim financial statements have been based on a format prescribed by the SBP vide BPRD Circular Letter No. 5 dated 22 March 2019 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 audited consolidated financial statements of the Group for the year ended 31 December 2021.

3. SIGNIFICANT ACCOUNTING POLICY

The significant accounting policies and method of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the audited consolidated financial statements of the Group for the year ended 31 December 2021.

3.1 Standards, Interpretations and Amendments to Published Approved Accounting Standards that are effective in current period

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after 1 January 2022 but are considered not to be relevant or do not have any significant effect on the Group's operations and therefore not detailed in these consolidated condensed interim financial statements except for the following:

IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation – As per State Bank of Pakistan (SBP) BPRD Circular Letter No. 24 of 2021, IFRS 9 'Financial Instruments' is applicable to banks/DFIs/MFIs effective 1 January 2022. The standard replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. The standard includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

The aforementioned SBP circular letter contained instructions for quarterly parallel reporting purposes to the SBP only and it was stated that final instructions will be issued based on the results of parallel reporting. However, banks have submitted their reservations on instructions issued for parallel reporting through the Pakistan Banks Association (PBA) and requested that they are addressed in the final instructions to be issued. The reservations are pervasive and points of contention inter alia include, retaining some relaxations given presently in the Prudential Regulations, prescription of macro-economic variables, retaining local regulatory requirements related to IFRS 9 related areas on overseas branches, impact on capital adequacy ratio, adequacy of significant increase in credit risk criteria, future tax impact of any reversals, recording of expected credit loss on local currency denominated Government securities, together with further clarifications required in certain areas. Due to the fact that final instructions have not yet been issued and the reservations shared by the industry over the draft instructions are still to be addressed, the impact of application of IFRS 9 on Bank's financial statements is presently being assessed. Banks are collectively of the opinion that impact on initial application of IFRS 9 will only be reasonably estimated subsequent to issuance of final application guidelines by SBP.

3.2 Standards, interpretations of and amendments to approved accounting standards that are not yet effective

There are various standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current year. These are not likely to have a material effect on the Group's consolidated condensed interim financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements are the same as that applied in the preparation of the audited consolidated financial statements for the year ended 31 December 2021.

5. RISK MANAGEMENT

The risk management policies adopted by the Group are consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2021.

	Note	31 March 2022 (Un-Audited)	31 December 2021 (Audited)
		Rupees in '000	
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		10,012,378	6,711,228
Foreign currencies		1,062,611	580,139
		<u>11,074,989</u>	<u>7,291,367</u>
With State Bank of Pakistan in			
Local currency current accounts		45,782,639	54,589,511
Foreign currencies			
- current accounts		2,420,391	1,347,685
- cash reserve account		5,567,201	5,475,902
- deposit account - special cash reserve		10,362,950	10,110,791
		<u>64,133,181</u>	<u>71,523,889</u>
With National Bank of Pakistan in			
Local currency current accounts		2,632,431	4,446,115
National Prize Bonds		45,883	124,674
		<u>77,886,484</u>	<u>83,386,045</u>
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		177,814	213,855
In deposit accounts		214,297	207,887
		<u>392,111</u>	<u>421,742</u>
Outside Pakistan			
In current accounts		4,942,107	2,782,221
		<u>5,334,218</u>	<u>3,203,963</u>
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings	8.1	1,500,000	441,284
Repurchase agreement lendings (Reverse Repo)	8.2	28,464,138	3,500,000
		<u>29,964,138</u>	<u>3,941,284</u>

8.1 These carry mark-up rate of 11.50% (31 December 2021: 1.10%) per annum with maturity upto 01 April 2022 (31 December 2021: 12 January 2022).

8.2 These carry markup rate ranging from 10.10% to 12.32% (31 December 2021: Nil) per annum with maturity upto 01 April 2022 (31 December 2021: Nil).

9. INVESTMENTS

9.1 Investments by types

	31 March 2022 (Un-Audited)				31 December 2021 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Rupees in '000							
Available-for-sale securities								
Federal government securities	625,065,449	-	(3,848,580)	621,216,869	629,531,699	-	(2,848,287)	626,683,412
Shares	2,512,076	(385,899)	374,797	2,500,974	1,678,034	(380,494)	419,113	1,716,653
Non-government debt securities	12,914,559	(111,634)	(287,944)	12,514,981	11,468,952	(115,554)	(323,605)	11,029,793
Mutual funds	30,140	(10,621)	3,046	22,565	30,140	(10,426)	3,963	23,677
Real estate investment trust	832,332	-	247,702	1,080,034	672,739	-	67,969	740,708
	641,354,556	(508,154)	(3,510,979)	637,335,423	643,381,564	(506,474)	(2,680,847)	640,194,243
Held-to-maturity securities								
Federal government securities	22,736,385	-	-	22,736,385	22,742,810	-	-	22,742,810
Non-government debt securities	-	-	-	-	2,000,000	-	-	2,000,000
	22,736,385	-	-	22,736,385	24,742,810	-	-	24,742,810
Total Investments	664,090,941	(508,154)	(3,510,979)	660,071,808	668,124,374	(506,474)	(2,680,847)	664,937,053

31 March
2022
(Un-Audited)

31 December
2021
(Audited)

Rupees in '000

9.1.1 Investments given as collateral against repo borrowing

The market value of investments given as collateral against repo borrowings is as follows:

Federal government securities

Market treasury bills	-	99,178,412
Pakistan investment bonds	199,780,320	83,891,118
	<u>199,780,320</u>	<u>183,069,530</u>

9.2 Provision for diminution in value of investments

Opening balance	506,474	507,587
Charge for the period / year	17,512	3,884
Reversal for the period / year	(3,920)	(4,997)
Net charge / (reversal)	13,592	(1,113)
Reversal on disposal for the period / year	(11,912)	-
Closing balance	<u>508,154</u>	<u>506,474</u>

9.3 Particulars of provision against debt securities

Category of classification	31 March 2022 (Un-Audited)		31 December 2021 (Audited)	
	Non-performing investments	Provision	Non-performing investments	Provision
	Rupees in '000			
Domestic				
Loss	111,634	111,634	115,554	115,554

9.4 The market value of securities classified as held-to-maturity is Rs. 20,783,841 thousand (31 December 2021: 23,025,207 thousand).

10. ADVANCES

	Performing		Non-Performing		Total	
	31 March 2022 (Un-Audited)	31 December 2021 (Audited)	31 March 2022 (Un-Audited)	31 December 2021 (Audited)	31 March 2022 (Un-Audited)	31 December 2021 (Audited)
	Rupees in '000					
Loans, cash credits, running finances, etc.	267,132,387	269,326,315	10,931,944	11,128,658	278,064,331	280,454,973
Islamic financing and related assets	115,988,343	92,143,804	822,845	808,210	116,811,188	92,952,014
Bills discounted and purchased	65,171,053	54,518,910	4,889,604	5,036,656	70,060,657	59,555,566
Advances - gross	448,291,783	415,989,029	16,644,393	16,973,524	464,936,176	432,962,553
Provision against non-performing advances						
- specific	-	-	(15,552,858)	(15,986,650)	(15,552,858)	(15,986,650)
- general	(5,859,944)	(5,182,927)	-	-	(5,859,944)	(5,182,927)
	(5,859,944)	(5,182,927)	(15,552,858)	(15,986,650)	(21,412,802)	(21,169,577)
Advances - net of provisions	442,431,839	410,806,102	1,091,535	986,874	443,523,374	411,792,976

10.1 It includes loans and advances of First Habib Modaraba and Habib Metro Modaraba amounting to Rs. 14,884,635 thousand (31 December 2021: Rs. 13,280,411 thousand) and Rs. 316,712 thousand (31 December 2021: Rs. 303,572 thousand) respectively. Furthermore, it includes the Islamic banking operations of the holding company amounting to Rs. 101,609,841 thousand (31 December 2021: Rs. 79,368,031 thousand) as disclosed in note 36.3 to these consolidated financial statements.

10.2 Particulars of advances - gross

	31 March 2022 (Un-Audited)	31 December 2021 (Audited)
	Rupees in '000	
In local currency	402,803,028	382,751,832
In foreign currencies	62,133,148	50,210,721
	464,936,176	432,962,553

10.3 Advances include Rs. 16,644,393 thousand (31 December 2021 : Rs. 16,973,524 thousand) which have been placed under non-performing status as detailed below:

Category of classification	31 March 2022 (Un-Audited)		31 December 2021 (Audited)	
	Non-performing loans	Provision	Non-performing loans	Provision
	Rupees in '000			
Domestic				
Substandard	124,701	4,341	28,740	1,098
Doubtful	1,406,915	516,321	1,462,928	529,294
Loss	15,112,777	15,032,196	15,481,856	15,456,258
	<u>16,644,393</u>	<u>15,552,858</u>	<u>16,973,524</u>	<u>15,986,650</u>

10.4 Particulars of provision against advances

	31 March 2022 (Un-Audited)			31 December 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	15,986,650	5,182,927	21,169,577	16,417,607	3,027,679	19,445,286
Charge for the period / year	118,268	677,017	795,285	2,444,120	2,155,248	4,599,368
Reversals for the period / year	(375,055)	–	(375,055)	(2,348,278)	–	(2,348,278)
Net charge / (reversal)	(256,787)	677,017	420,230	95,842	2,155,248	2,251,090
Amount written off	(177,005)	–	(177,005)	(526,799)	–	(526,799)
Closing balance	<u>15,552,858</u>	<u>5,859,944</u>	<u>21,412,802</u>	<u>15,986,650</u>	<u>5,182,927</u>	<u>21,169,577</u>

10.4.1 General provision includes provision of Rs. 38,009 thousand (31 December 2021: Rs. 25,248 thousand) made against consumer portfolio and Rs. 3 thousand (31 December 2021: Rs. 5 thousand) made against small enterprises (SEs) portfolio as required by the Prudential Regulations issued by the SBP.

10.4.2 Particulars of provision against advances

	31 March 2022 (Un-Audited)			31 December 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
In local currency	15,045,045	5,859,944	20,904,989	15,492,074	5,182,927	20,675,001
In foreign currencies	507,813	–	507,813	494,576	–	494,576
	<u>15,552,858</u>	<u>5,859,944</u>	<u>21,412,802</u>	<u>15,986,650</u>	<u>5,182,927</u>	<u>21,169,577</u>

10.4.3 Consideration of forced sales value (FSV) for the purposes of provisioning against non-performing loans

In accordance with BSD Circular No. 1 of 21 October 2011 issued by the SBP, the holding company has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing loans and advances. Had this benefit of FSV not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 268,954 thousand (31 December 2021: Rs. 208,257 thousand) and profit after tax would have been lower by Rs. 164,062 thousand (31 December 2021: Rs. 127,036 thousand). This amount of Rs.164,062 thousand (31 December 2021: Rs. 127,036 thousand) is not available for distribution of cash and stock dividend to the shareholders and bonus to employees.

	Note	31 March 2022 (Un-Audited)	31 December 2021 (Audited)
		Rupees in '000	
11. FIXED ASSETS			
Capital work-in-progress	11.1	406,514	185,038
Property and equipment		12,110,219	11,892,437
		<u>12,516,733</u>	<u>12,077,475</u>
11.1 Capital work-in-progress			
Civil works		283,547	90,388
Advance to suppliers		<u>122,967</u>	<u>94,650</u>
		<u>406,514</u>	<u>185,038</u>
		31 March 2022 (Un-Audited)	31 March 2021
		Rupees in '000	
11.2 Additions to fixed assets			
The following additions have been made to fixed assets during the period:			
Capital work-in-progress additions / (transfer to fixed assets) - net		221,476	(56,494)
Property and equipment			
Freehold land		243,278	—
Furniture and fixtures		36,217	52,765
Electrical, office and computer equipment		209,288	176,286
Vehicles		36,638	26,865
Lease hold improvements		24,122	96,531
Right-of-use assets		301,171	253,078
		<u>850,714</u>	<u>605,525</u>
		<u>1,072,190</u>	<u>549,031</u>
11.3 Disposal of fixed assets			
The net book value of fixed assets disposed off during the period is as follows:			
Furniture and fixtures		310	97
Electrical office and computer equipment		50	79
Vehicles		2,891	1,838
		<u>3,251</u>	<u>2,014</u>

	31 March 2022 (Un-Audited)	31 December 2021 (Audited)
	Rupees in '000	
12. INTANGIBLE ASSETS		
Computer software	115,916	121,587
Management rights	41,600	41,600
	<u>157,516</u>	<u>163,187</u>
	31 March 2022 (Un-Audited)	31 March 2021 (Audited)
	Rupees in '000	
12.1 Additions to intangible assets		
Directly purchased - Computer software	<u>13,318</u>	<u>71,064</u>
	31 March 2022 (Un-Audited)	31 December 2021 (Audited)
	Rupees in '000	
13. DEFERRED TAX ASSETS		
Deductible temporary differences on		
- Provision for diminution in value of investments	198,180	197,524
- Provision for non performing loans and off - balance sheet obligation	2,171,684	2,568,293
- Accelerated tax depreciation	248,729	200,837
- Deferred liability on defined benefit plan	45,862	21,017
- Deferred liability on compensated absences	440	440
- Deficit on revaluation of investments	1,423,923	1,101,223
- Others	8,008	7,120
	<u>4,096,826</u>	<u>4,096,454</u>
Taxable temporary differences on		
- Surplus on revaluation of non-banking assets	(874,382)	(877,238)
- Exchange translation reserve	(1,264)	(1,053)
	<u>(875,646)</u>	<u>(878,291)</u>
Net deferred tax assets	<u>3,221,180</u>	<u>3,218,163</u>

	Note	31 March 2022 (Un-Audited)	31 December 2021 (Audited)
		Rupees in '000	
14. OTHER ASSETS			
Income / mark-up / profit accrued in local currency - net of provision		11,983,343	11,260,644
Income / mark-up / profit accrued in foreign currencies - net of provision		13,554	92,100
Advances, deposits and other prepayments		774,147	283,056
Non-banking assets acquired in satisfaction of claims		2,290,477	2,297,568
Mark to market gain on forward foreign exchange contracts		6,897,921	6,217,789
Acceptances		36,952,958	29,225,097
Receivable from the SBP against encashment of government securities		125,481	20,657
Stationery and stamps on hand		102,773	110,374
Dividend receivable		55,542	8,496
Others		1,457,141	1,083,170
		60,653,337	50,598,951
Provision against other assets	14.1	(377,901)	(377,076)
Other assets (net of provision)		60,275,436	50,221,875
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	19	2,242,005	2,249,327
		62,517,441	52,471,202
14.1 Movement in provision held against other assets			
Opening balance		377,076	462,880
Charge for the period / year		825	165,000
Reversal for the period / year		-	(249,619)
		825	(84,619)
Amount written off		-	(1,185)
		377,901	377,076

	31 March 2022 (Un-Audited)	31 December 2021 (Audited)
	Rupees in '000	
15. BILLS PAYABLE		
In Pakistan	33,208,424	17,856,030
Outside Pakistan	73,681	88,614
	<u>33,282,105</u>	<u>17,944,644</u>
16. BORROWINGS		
Secured		
Borrowings from the SBP under		
- Export refinance scheme	72,647,641	68,897,225
- Long term financing facility - renewable energy scheme	1,982,267	1,592,554
- Long term financing facility - locally manufactured plant and machinery scheme	20,000,316	18,184,877
- Refinance for payment of wages and salaries	10,046,135	12,662,380
- Temporary economic refinance facility	29,607,248	28,219,857
- Long term financing facility-for storage of agricultural produce scheme	635,956	639,685
- Refinance facility for modernization of SME	20,049	21,228
- Refinance facility for combating COVID-19	64,977	67,754
	<u>135,004,589</u>	<u>130,285,560</u>
Repurchase agreement borrowings (Repo)	<u>200,199,800</u>	<u>182,851,203</u>
	<u>335,204,389</u>	<u>313,136,763</u>
Unsecured		
Certificates of investment	5,822,592	5,863,977
Call borrowing	-	3,000,000
Musharika borrowing	738,812	748,666
Overdrawn nostro accounts	14,773,249	29,749
	<u>21,334,653</u>	<u>9,642,392</u>
	<u>356,539,042</u>	<u>322,779,155</u>

17. DEPOSITS AND OTHER ACCOUNTS

	31 March 2022 (Un-Audited)			31 December 2021 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000					
Customers						
Current deposits	250,121,313	37,875,639	287,996,952	228,774,493	36,061,897	264,836,390
Savings deposits	169,991,352	20,427,231	190,418,583	171,147,729	22,694,898	193,842,627
Term deposits	206,652,412	28,887,008	235,539,420	208,829,163	50,892,644	259,721,807
Others	23,130,007	13,952	23,143,959	19,579,290	13,692	19,592,982
	<u>649,895,084</u>	<u>87,203,830</u>	<u>737,098,914</u>	<u>628,330,675</u>	<u>109,663,131</u>	<u>737,993,806</u>
Financial institutions						
Current deposits	4,780,908	1,639,396	6,420,304	1,240,863	1,922,927	3,163,790
Savings deposits	23,951,476	-	23,951,476	26,524,236	-	26,524,236
Term deposits	5,537,600	5,628	5,543,228	3,961,404	5,415	3,966,819
Others	1,078	-	1,078	1,078	-	1,078
	<u>34,271,062</u>	<u>1,645,024</u>	<u>35,916,086</u>	<u>31,727,581</u>	<u>1,928,342</u>	<u>33,655,923</u>
	<u>684,166,146</u>	<u>88,848,854</u>	<u>773,015,000</u>	<u>660,058,256</u>	<u>111,591,473</u>	<u>771,649,729</u>

	Note	31 March 2022 (Un-Audited)	31 December 2021 (Audited)
Rupees in '000			
18. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		6,087,152	6,807,583
Mark-up / return / interest payable in foreign currencies		262,904	429,878
Unearned commission and income on bills discounted		599,205	532,943
Accrued expenses		1,690,168	1,507,731
Current taxation (provision less payments)		1,773,474	2,114,976
Acceptances		36,952,958	29,225,097
Unclaimed dividend		138,506	163,681
Branch adjustment account		1,290	558
Mark-to-market loss on forward foreign exchange contracts		4,108,550	2,939,889
Provision for compensated absences		269,841	264,715
Deferred liability on defined benefit plan		176,297	56,626
Provision against off-balance sheet obligations	18.1	32,583	32,583
Workers' welfare fund	18.2	2,171,620	2,055,242
Charity fund		651	4
Excise duty payable		2,014	2,629
Locker deposits		939,246	923,249
Advance against diminishing musharaka		152,459	201,567
Advance rental for ijarah		3,849	1,362
Security deposits against leases / ijarah		396,161	385,938
Sundry creditors		2,467,589	1,694,627
Lease liability against right-of-use assets		6,337,758	6,187,428
Withholding tax / duties		731,768	365,630
Others		177,572	34,621
		65,473,615	55,928,557
18.1 Provision against off-balance sheet obligations			
Opening balance		32,583	113,716
Reversal for the period / year		-	(81,133)
Closing balance		32,583	32,583

The above represents provision against certain letters of credit and guarantees.

- 18.2** Under the Workers' Welfare Ordinance 1971, the holding company is liable to pay workers' welfare fund (WWF) @ 2% of accounting profit before tax or taxable income, whichever is higher. The holding company has made full provision for WWF based on profit for the respective years.

The Supreme Court of Pakistan vide its order dated 10 November 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of WWF were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending.

Legal advice obtained on the matter indicates that consequent to filing of these review petitions, the judgement may not currently be treated as conclusive. Accordingly the holding company maintains its provision in respect of WWF.

	Note	31 March 2022 (Un-Audited)	31 December 2021 (Audited)
Rupees in '000			
19. DEFICIT ON REVALUATION OF ASSETS - NET OF TAX			
Surplus / (deficit) on revaluation of			
- Non-banking assets		2,242,005	2,249,327
- Available for sale securities	9.1	(3,510,979)	(2,680,847)
		(1,268,974)	(431,520)
Less: Deferred tax on surplus / (deficit) on revaluation of			
- Non-banking assets		874,382	877,238
- Available for sale securities		(1,423,923)	(1,101,223)
		549,541	223,985
		(719,433)	(207,535)
		(148,323)	(149,528)
Less : Surplus pertaining to non-controlling interest		(867,756)	(357,063)
20. CONTINGENCIES AND COMMITMENTS			
Guarantees	20.1	115,290,983	112,912,689
Commitments	20.2	615,208,899	604,750,338
Other contingent liabilities	20.3	2,341,964	3,078,218
		732,841,846	720,741,245
20.1 Guarantees			
Financial guarantees		27,354,193	44,818,267
Performance guarantees		46,316,494	41,897,915
Other guarantees		41,620,296	26,196,507
		115,290,983	112,912,689
20.2 Commitments			
Documentary credits and short-term trade-related transactions:			
Letters of credit		254,725,395	198,716,273
Commitments in respect of:			
Forward foreign exchange contracts	20.2.1	356,487,757	402,981,660
Forward lendings	20.2.2	3,605,687	2,916,949
Acquisition of operating fixed assets		390,060	135,456
		360,483,504	406,034,065
		615,208,899	604,750,338
20.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		185,449,546	216,511,732
Sale		171,038,211	186,469,928
		356,487,757	402,981,660

20.2.2 Commitments in respect of forward lendings

The Group has made 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, except for:

Note	31 March 2022 (Un-Audited)	31 December 2021 (Audited)
	Rupees in '000	
Commitments in respect of syndicate financing	2,522,582	1,902,213
Commitments in respect of other financing transactions	1,083,105	1,014,736
	<u>3,605,687</u>	<u>2,916,949</u>

20.3 Other contingent liabilities

Claims against holding company not acknowledged as debt	20.3.1	2,235,908	2,972,162
Foreign exchange repatriation case	20.3.2	106,056	106,056
		<u>2,341,964</u>	<u>3,078,218</u>

20.3.1 These mainly represent counter claims by borrowers for damages. Based on legal advice and internal assessments, management is confident that the matters will be decided in the Group's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these consolidated financial statements.

20.3.2 Foreign exchange repatriation case

While adjudicating foreign exchange repatriation cases of exporters, the Foreign Exchange Adjudicating Court of the State Bank of Pakistan has 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 holding company by way of interim orders. Based on merits of the appeals 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.

21. DERIVATIVE FINANCIAL INSTRUMENTS

The holding company deals in derivative financial instruments namely forward foreign exchange contracts and foreign currency swaps with the principal view of hedging the risks arising from its trade business.

As per the holding company's policy, these contracts are reported on their fair value at the statement of financial position date. The gains and losses from revaluation of these contracts are included under "Foreign exchange income". Mark to market gains and losses on these contracts are recorded on the statement of financial position under "other assets / other liabilities".

These products are offered to the holding company's customers to protect from unfavorable movements in foreign currencies. The holding company hedges such exposures in the inter-bank foreign exchange market.

These positions are reviewed on a regular basis by the holding company's Asset and Liability Committee (ALCO).

22. MARK-UP / RETURN / INTEREST EARNED

	31 March 2022	31 March 2021
	(Un-Audited)	
	Rupees in '000	
Loans and advances	7,389,898	5,082,759
Investments	16,187,479	12,133,333
Lending with financial institutions	162,615	319,593
Balances with banks	4,179	5,271
	<u>23,744,171</u>	<u>17,540,956</u>

23. MARK-UP / RETURN / INTEREST EXPENSED

Deposits	9,367,225	6,481,246
Borrowings	4,986,438	2,521,745
Foreign currency swap cost	1,254,077	897,063
Lease liability against right-of-use assets	199,208	126,159
	<u>15,806,948</u>	<u>10,026,213</u>

24. FEE & COMMISSION INCOME

Branch banking customer fees	191,196	145,855
Credit related fees	10,600	9,555
Card related fees	169,296	127,747
Commission on trade	1,273,352	1,128,211
Commission on guarantees	158,101	151,329
Commission on remittances including home remittances	8,989	11,337
Commission on bancassurance	41,475	42,611
Commission on cash management	21,885	19,278
Others	24,661	20,801
	<u>1,899,555</u>	<u>1,656,724</u>

25. GAIN / (LOSS) ON SECURITIES - NET

Realised		
Federal government securities	18,098	(9,384)
Shares	21,887	-
Mutual funds	9,720	10,933
Unrealised - held-for-trading		
Federal government securities	-	(18)
	<u>49,705</u>	<u>1,531</u>

26. OTHER INCOME

Rent on properties	8,785	2,069
Gain on sale of fixed assets - net	3,118	3,831
Gain on sale of ijarah assets - net	2,507	219
Staff notice period and other recoveries	195	358
	<u>14,605</u>	<u>6,477</u>

	31 March 2022	31 March 2021
	(Un-Audited)	
	Rupees in '000	
27. OPERATING EXPENSES		
Total compensation expense	2,131,173	1,766,174
Property expense		
Rent & taxes	30,626	65,043
Insurance	1,171	1,016
Utilities cost	136,853	90,885
Security	156,676	112,342
Repair & maintenance	113,652	89,046
Depreciation on owned fixed assets	135,637	105,013
Depreciation on right-of-use assets	299,462	229,363
	874,077	692,708
Information technology expenses		
Software maintenance	60,235	43,353
Hardware maintenance	56,749	43,501
Depreciation	58,601	50,780
Amortisation	18,991	16,475
Network charges	76,619	58,415
	271,195	212,524
Other operating expenses		
Directors' fees and allowances	3,730	4,074
Fees and allowances to Shariah Board	5,480	2,908
Legal & professional charges	57,196	24,862
Outsourced services costs	75,528	80,080
Travelling & conveyance	90,082	58,474
NIFT clearing charges	18,831	17,464
Depreciation	136,788	114,684
Depreciation - non-banking assets	14,413	9,174
Training & development	6,042	5,313
Postage & courier charges	33,411	27,435
Communication	33,350	30,192
Subscription	84,809	50,335
Repair & maintenance	30,707	24,368
Brokerage & commission	45,864	61,662
Stationery & printing	75,115	54,168
Marketing, advertisement & publicity	77,106	29,845
Management fee	156,719	81,889
Insurance	204,040	185,572
Donations	53,850	50,070
Covid-19 expenses	5,397	7,521
Auditors' Remuneration	4,034	2,696
Security	49,708	42,317
Others	196,234	88,116
	1,458,434	1,053,219
	4,734,879	3,724,625

	Note	31 March 2022 (Un-Audited)	31 March 2021 (Un-Audited)
		Rupees in '000	
28. OTHER CHARGES			
Penalties imposed by the SBP		20,242	8,481
29. PROVISIONS AND WRITE OFFS - NET			
Provision for diminution in value of investments - net	9.2	13,592	(2,304)
Provision against loan & advances - net	10.4	420,230	1,323,248
Provision against other assets / off-balance sheet obligations		825	(330,521)
Recovery of written off bad debts		(26,348)	(500)
		408,299	989,923
30. TAXATION			
Current		1,995,725	2,049,451
Deferred		344,084	(512,312)
		2,339,809	1,537,139
31. BASIC AND DILUTED EARNINGS PER SHARE			
Profit attributable to equity shareholders of the holding company		3,602,372	3,245,431
		Number in '000	
Weighted average number of ordinary shares		1,047,831	1,047,831
		Rupees	
Basic and diluted earnings per share		3.44	3.10

32. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than investment those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

The fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since they are either short-term in nature or, in the case of customer advances, deposits and certain long term borrowings are frequently repriced.

32.1 Fair value of financial assets

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

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

	31 March 2022 (Un-Audited)				
	Carrying / notional 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	621,216,869	-	621,216,869	-	621,216,869
Sukuk certificates and bonds	7,487,274	-	7,487,274	-	7,487,274
Ordinary shares of listed companies	2,448,316	2,448,316	-	-	2,448,316
Mutual funds - open end	16,237	-	16,237	-	16,237
- close end	6,328	6,328	-	-	6,328
Real estate investment trust	1,080,034	1,080,034	-	-	1,080,034
Listed term finance certificates	1,102,707	-	1,102,707	-	1,102,707
Unlisted term finance certificates	3,925,000	-	3,925,000	-	3,925,000

Financial assets - disclosed but not measured at fair value

- Investments					
- Held-to-maturity securities					
Federal government securities	22,736,385	-	-	-	-
- Available-for-sale securities					
Ordinary shares of unlisted companies	52,658	-	-	-	-
	<u>660,071,808</u>	<u>3,534,678</u>	<u>633,748,087</u>	<u>-</u>	<u>637,282,765</u>

Off-balance sheet financial instruments measured at fair value

- Forward purchase of foreign exchange contracts	<u>185,449,546</u>	<u>-</u>	<u>192,329,203</u>	<u>-</u>	<u>192,329,203</u>
- Forward sale of foreign exchange contracts	<u>171,038,211</u>	<u>-</u>	<u>166,947,925</u>	<u>-</u>	<u>166,947,925</u>

On balance sheet financial instruments

31 December 2021 (Audited)					
	Carrying / notional value	Fair value			Total
		Level 1	Level 2	Level 3	
Rupees in '000					
Financial assets measured at fair value					
- Investments					
- Available-for-sale securities					
Federal government securities	626,683,412	-	626,683,412	-	626,683,412
Sukuk certificates and bonds	7,507,221	-	7,507,221	-	7,507,221
Ordinary shares of listed companies	1,663,995	1,663,995	-	-	1,663,995
Mutual funds - open end	17,154	-	17,154	-	17,154
- close end	6,523	6,523	-	-	6,523
Real estate investment trust	740,708	740,708	-	-	740,708
Listed term finance certificates	1,097,572	-	1,097,572	-	1,097,572
Unlisted term finance certificates	2,425,000	-	2,425,000	-	2,425,000
Financial assets - disclosed but not measured at fair value					
- Investments					
- Held-to-maturity securities					
Federal government securities	22,742,810	-	-	-	-
Certificates of investment	2,000,000	-	-	-	-
- Available-for-sale securities					
Ordinary shares of unlisted companies	52,658	-	-	-	-
	664,937,053	2,411,226	637,730,359	-	640,141,585
Off-balance sheet financial instruments measured at fair value					
- Forward purchase of foreign exchange contracts	216,511,732	-	221,433,072	-	221,433,072
- Forward sale of foreign exchange contracts	186,469,928	-	184,826,488	-	184,826,488

32.2 Fair value of non-financial assets

31 March 2022 (Un-Audited)					
Carrying / notional value	Fair value				Total
	Level 1	Level 2	Level 3		
Rupees in '000					
Non-financial assets measured at fair value					
- Non-banking assets acquired in satisfaction of claim	4,532,482	-	-	4,532,482	4,532,482
31 December 2021 (Audited)					
Carrying / notional value	Fair value				Total
	Level 1	Level 2	Level 3		
Rupees in '000					
Non-financial assets measured at fair value					
- Non-banking assets acquired in satisfaction of claim	4,546,895	-	-	4,546,895	4,546,895

Valuation techniques used in determination of fair valuation of financial instruments within level 2.

Federal government debt securities	The fair value of government securities are valued using PKRV rates.
Debt securities other than federal government securities	The fair value is determined using the prices / rates available on Mutual Funds, Association of Pakistan (MUFAP) / Reuters.
Forward foreign exchange contracts	The fair values are derived using forward exchange rates applicable to their respective remaining maturities.
Mutual funds	The fair value is determined based on the net asset values published at the close of each business day.

Valuation techniques used in determination of fair values of non-financial assets within level 3

Non-banking assets acquired in satisfaction of claim	Non-banking assets are valued by professionally qualified valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been provided.
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33. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	31 March 2022 (Un-Audited)			
	Trade & Sales	Retail Banking	Commercial Banking	Total
	Rupees in '000			
Profit and Loss				
Net mark-up / return / interest / profit	12,060,820	(4,239,500)	115,903	7,937,223
Inter segment revenue - net	(11,304,952)	7,559,419	3,745,533	-
Non mark-up / return / interest income	298,068	165,740	2,901,187	3,364,995
Total income	1,053,936	3,485,659	6,762,623	11,302,218
Segment direct expenses	(78,392)	-	(69,668)	(148,060)
Inter segment expense allocation	-	(1,302,636)	(3,420,803)	(4,723,439)
Total expenses	(78,392)	(1,302,636)	(3,490,471)	(4,871,499)
Provisions and write offs -net	(14,417)	-	(393,882)	(408,299)
Profit before tax	961,127	2,183,023	2,878,270	6,022,420
Balance Sheet				
Cash and bank balances	4,839,953	32,639,289	45,741,460	83,220,702
Investments - net	660,071,808	-	-	660,071,808
Net inter segment lending	-	315,023,113	156,726,829	471,749,942
Lendings to financial institutions	29,964,138	-	-	29,964,138
Advances - performing	-	9,527,485	438,764,298	448,291,783
Advances - non-performing	-	51,008	16,593,385	16,644,393
Provision against advances	-	(103,340)	(21,309,462)	(21,412,802)
Others	15,347,363	3,499,099	59,566,408	78,412,870
Total Assets	710,223,262	360,636,652	696,082,920	1,766,942,834
Borrowings	214,973,049	-	141,565,993	356,539,042
Subordinated debt	-	-	-	-
Deposits and other accounts	-	324,233,890	448,781,110	773,015,000
Net inter segment borrowing	471,749,942	-	-	471,749,942
Others	4,338,069	16,451,003	77,966,648	98,755,720
Total liabilities	691,061,060	340,684,893	668,313,751	1,700,059,704
Net Assets	19,162,202	19,951,759	27,769,169	66,883,130
Equity				66,883,130
Contingencies and Commitments	356,487,757	10,877,618	365,476,471	732,841,846

31 March 2021 (Un-Audited)

	Trade & Sales	Retail Banking	Commercial Banking	Total
	Rupees in '000			
Profit and Loss				
Net mark-up / return / interest / profit	10,442,950	(2,805,536)	(122,671)	7,514,743
Inter segment revenue - net	(8,041,034)	4,864,392	3,176,642	-
Non mark-up / return / interest income	(159,328)	125,021	2,218,208	2,183,901
Total income	2,242,588	2,183,877	5,272,179	9,698,644
Segment direct expenses	(73,432)	-	(62,175)	(135,607)
Inter segment expense allocation	(213)	(989,265)	(2,717,050)	(3,706,528)
Total expenses	(73,645)	(989,265)	(2,779,225)	(3,842,135)
Provisions and write offs -net	2,692	8,579	(1,001,194)	(989,923)
Profit before tax	2,171,635	1,203,191	1,491,760	4,866,586

31 December 2021 (Audited)

Balance Sheet				
Cash and bank balances	2,654,519	34,684,524	49,250,965	86,590,008
Investments - net	664,937,053	-	-	664,937,053
Net inter segment lending	-	305,348,808	160,736,933	466,085,741
Lendings to financial institutions	3,941,284	-	-	3,941,284
Advances - performing	-	7,405,032	408,583,997	415,989,029
Advances - non-performing	-	46,465	16,927,059	16,973,524
Provision against advances	-	(67,479)	(21,102,098)	(21,169,577)
Others	14,284,585	3,400,723	50,244,719	67,930,027
Total Assets	685,817,441	350,818,073	664,641,575	1,701,277,089
Borrowings	185,880,952	-	136,898,203	322,779,155
Subordinated debt	-	-	-	-
Deposits and other accounts	-	321,412,476	450,237,253	771,649,729
Net inter segment borrowing	466,085,741	-	-	466,085,741
Others	3,302,064	10,164,454	60,406,683	73,873,201
Total liabilities	655,268,757	331,576,930	647,542,139	1,634,387,826
Net Assets	30,548,684	19,241,143	17,099,436	66,889,263
Equity				66,889,263
Contingencies and commitments	402,981,660	10,555,599	307,203,986	720,741,245

34. TRANSACTIONS WITH RELATED PARTIES

The Group has related party relationships with its ultimate parent company, associates, companies with common directorship, key management personnel, directors and employees' retirement benefit plans.

The Group enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions in respect of charge for employees' retirement benefits are made in accordance with actuarial valuation and terms of contribution plan. Salaries and allowances of the key management personnel are in accordance with the terms of their employment. Other transactions are at agreed terms.

Details of transactions with related parties during the period are as follows:

	31 March 2022 (Un-Audited)					
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000					
Balances with other banks						
In current accounts	266,052	176,339	-	-	-	442,391
Advances						
Opening balance	-	5,288,310	195,796	-	-	5,484,106
Addition during the period	-	35,217,920	31,239	-	-	35,249,159
Repaid during the period	-	(33,441,696)	(16,691)	-	-	(33,458,387)
Closing balance	-	7,064,534	210,344	-	-	7,274,878
Other Assets						
Mark-up / return / interest accrued	-	7,758	-	-	-	7,758
Prepayments / advance deposits / other receivable	468	60,662	-	-	-	61,130
	468	68,420	-	-	-	68,888
Deposits and other accounts						
Opening balance	174,007	25,154,287	313,576	813,302	1,810,988	28,266,160
Received during the period	2,661,584	612,012,723	526,948	1,157,820	2,161,760	618,520,835
Withdrawn during the period	(2,634,116)	(611,575,878)	(496,927)	(1,251,367)	(3,037,588)	(618,995,876)
Closing balance	201,475	25,591,132	343,597	719,755	935,160	27,791,119
Other liabilities						
Mark-up / return / interest payable	-	71,066	1,330	4,432	12,533	89,361
Management fee payable for technical and consultancy services *	94,776	-	-	-	-	94,776
Other payables	-	595	-	670	176,297	177,562
	94,776	71,661	1,330	5,102	188,830	361,699
Contingencies and commitments						
Transaction-related contingent liabilities	-	7,517,901	-	-	-	7,517,901
Trade-related contingent liabilities	-	4,511,683	-	-	-	4,511,683
	-	12,029,584	-	-	-	12,029,584

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

	31 December 2021 (Audited)					
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000					
Balances with other banks						
In current accounts	184,060	217,741	–	–	–	401,801
Advances						
Opening balance	–	4,639,385	195,938	–	–	4,835,323
Addition during the year	–	50,576,167	72,882	–	–	50,649,049
Repaid during the year	–	(49,927,242)	(73,024)	–	–	(50,000,266)
Closing balance	–	5,288,310	195,796	–	–	5,484,106
Other Assets						
Mark-up / return / interest accrued	–	12,176	–	–	–	12,176
Prepayments / advance deposits / Other receivables	468	53,123	–	–	–	53,591
	468	65,299	–	–	–	65,767
Deposits and other accounts						
Opening balance	213,306	8,573,734	282,595	661,230	1,626,592	11,357,457
Received during the year	16,783,470	2,471,954,097	2,073,559	4,685,345	6,995,634	2,502,492,105
Withdrawn during the year	(16,822,769)	(2,455,373,544)	(2,042,578)	(4,533,273)	(6,811,238)	(2,485,583,402)
Closing balance	174,007	25,154,287	313,576	813,302	1,810,988	28,266,160
Other liabilities						
Mark-up / return / interest payable	–	140,001	1,977	3,248	10,626	155,852
Management fee payable for technical and consultancy services *	76,826	–	–	–	–	76,826
Other payables	–	470	–	670	50,273	51,413
	76,826	140,471	1,977	3,918	60,899	284,091
Contingencies and commitments						
Transaction-related contingent liabilities	–	7,353,818	–	–	–	7,353,818
Trade-related contingent liabilities	–	3,929,204	–	–	–	3,929,204
	–	11,283,022	–	–	–	11,283,022

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

Transactions during the period

	For the period ended 31 March 2022 (Un-Audited)				
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans
	Rupees in '000				
Income					
Mark-up / return / interest earned	–	43,295	3,129	–	–
Fee and commission income	407	67,143	–	39	–
Rent income	1,404	2,128	–	–	–
Expense					
Mark-up/ return / interest expensed	–	268,601	4,745	8,163	18,328
Commission / brokerage / bank charges paid	111	131	–	–	–
Salaries and allowances	–	–	243,618	–	–
Directors' fees and allowances	–	–	–	3,730	–
Charge to defined benefit plan	–	–	–	–	56,826
Contribution to defined contribution plan	–	–	–	–	70,673
Insurance premium expenses	–	5,879	–	–	–
Management fee expense for technical and consultancy services *	156,719	–	–	–	–
Donation	–	480	–	–	–

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

Transactions during the period

	For the period ended 31 March 2021 (Un-Audited)					
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000					
Income						
Mark-up / return / interest earned	<u>–</u>	<u>20,305</u>	<u>2,738</u>	<u>–</u>	<u>–</u>	<u>23,043</u>
Fee and commission income	<u>555</u>	<u>68,787</u>	<u>–</u>	<u>8</u>	<u>–</u>	<u>69,350</u>
Rent income	<u>1,404</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,404</u>
Expenses						
Mark-up / return/ interest expensed	<u>–</u>	<u>168,669</u>	<u>3,447</u>	<u>8,633</u>	<u>45,435</u>	<u>226,184</u>
Commission / brokerage / bank charges paid	<u>437</u>	<u>432</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>869</u>
Salaries and allowances	<u>–</u>	<u>–</u>	<u>194,528</u>	<u>–</u>	<u>–</u>	<u>194,528</u>
Directors' fees and allowances	<u>–</u>	<u>–</u>	<u>–</u>	<u>4,074</u>	<u>–</u>	<u>4,074</u>
Charge to defined benefit plan	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>44,046</u>	<u>44,046</u>
Contribution to defined contribution plan	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>63,557</u>	<u>63,557</u>
Insurance premium expenses	<u>–</u>	<u>3,344</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>3,344</u>
Management fee expense for technical and consultancy services *	<u>81,909</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>81,909</u>
Donation	<u>–</u>	<u>480</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>480</u>

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

35. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	31 March 2022 (Un-Audited)	31 December 2021 (Audited)
	Rupees in '000	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	10,478,315	10,478,315
Capital Adequacy Ratio (CAR):		
Eligible common equity tier 1 (CET 1) Capital	62,458,711	62,494,114
Eligible additional tier 1 (ADT 1) Capital	153,053	150,253
Total eligible tier 1 capital	62,611,764	62,644,367
Eligible tier 2 capital	6,049,030	5,332,119
Total eligible capital (tier 1 + tier 2)	68,660,794	67,976,486
Risk Weighted Assets (RWAs):		
Credit risk	463,348,141	406,395,001
Market risk	3,682,125	7,211,352
Operational risk	66,887,787	66,887,787
Total	533,918,053	480,494,140
CET 1 capital adequacy ratio	11.70%	13.01%
Tier 1 capital adequacy ratio	11.73%	13.04%
Total capital adequacy ratio	12.86%	14.15%
Minimum capital requirements prescribed by SBP		
CET 1 capital adequacy ratio	6.00%	6.00%
Tier 1 capital adequacy ratio	7.50%	7.50%
Total capital adequacy ratio	11.50%	11.50%

The Group use simple, maturity method and basic indicator approach for credit risk, market risk and operational risk exposures respectively in the capital adequacy calculation.

Leverage Ratio (LR):		
Eligible tier-1 capital	62,611,764	62,644,367
Total exposures	1,695,607,306	1,586,376,608
Leverage ratio	3.69%	3.95%

36. ISLAMIC BANKING BUSINESS

The holding company is operating 49 (31 December 2021: 49) Islamic banking branches and 218 (31 December 2021: 218) Islamic banking windows at the end of the period.

	Note	31 March 2022 (Un-Audited)	31 December 2021 (Audited)
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks		6,458,485	8,065,686
Balances with other banks		–	–
Due from financial institutions	36.1	–	3,500,000
Investments	36.2	27,092,601	30,384,762
Islamic financing and related assets – net	36.3	100,928,288	78,657,187
Fixed assets	36.4	650,909	635,471
Intangible assets		–	–
Due from Head office		–	5,125,784
Other assets		4,439,534	3,017,034
Total Assets		139,569,817	129,385,924
LIABILITIES			
Bills payable		1,460,354	1,445,125
Due to financial institutions		33,426,052	32,048,365
Deposits and other accounts	36.5	85,012,132	83,953,361
Due to Head office		6,678,286	–
Subordinated debt		–	–
Other liabilities		3,693,477	2,731,703
		130,270,301	120,178,554
NET ASSETS			
		9,299,516	9,207,370
REPRESENTED BY			
Islamic Banking Fund		9,004,587	7,504,413
Reserves		–	–
Surplus / (deficit) on revaluation of assets		(477,829)	(725,275)
Unappropriated profit	36.6	772,758	2,428,232
		9,299,516	9,207,370
CONTINGENCIES AND COMMITMENTS			
	36.7		

The profit and loss account of the Bank's Islamic banking branches for the period ended 31 March 2022 is as follows:

	Note	31 March 2022 (Un-Audited) Rupees in '000	31 March 2021
Profit / return earned	36.8	2,069,216	1,476,021
Profit / return expensed	36.9	(1,173,466)	(901,086)
Net Profit / return		895,750	574,935
Other income			
Fee and commission income		114,132	79,727
Dividend income		–	279
Foreign exchange income		28,827	20,505
Income / (loss) from derivatives		–	–
Gain / (loss) on securities - net		(11)	2,554
Other income		1,577	262
Total other income		144,525	103,327
Total Income		1,040,275	678,262
Other expenses			
Operating expenses		296,808	203,751
Workers' welfare fund		–	–
Other charges		–	–
Total other expenses		296,808	203,751
Profit before provisions		743,467	474,511
Provisions and write offs - net		29,291	3,711
Profit before taxation		772,758	478,222

36.1 Due from Financial Institutions

	31 March 2022 (Un-Audited)			31 December 2021 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000					
Unsecured						
Mudaraba placements	-	-	-	3,500,000	-	3,500,000

36.2 Investments by segments

	31 March 2022 (Unaudited)				31 December 2021 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Rupees in '000							
Federal Government Securities:								
Ijarah Sukuk	14,523,148	-	(179,362)	14,343,786	19,523,163	-	(396,332)	19,126,831
Islamic naya Pakistan certificate mudaraba investment pool	841,542	-	-	841,542	730,711	-	-	730,711
	15,364,690	-	(179,362)	15,185,328	20,253,874	-	(396,332)	19,857,542
Non Government Debt Securities								
Listed	7,025,740	-	(307,626)	6,718,114	7,076,163	-	(336,554)	6,739,609
Unlisted	5,180,000	-	9,159	5,189,159	3,780,000	-	7,611	3,787,611
	12,205,740	-	(298,467)	11,907,273	10,856,163	-	(328,943)	10,527,220
Total investments	27,570,430	-	(477,829)	27,092,601	31,110,037	-	(725,275)	30,384,762

36.3 Islamic financing and related assets - net

	31 March 2022 (Un-Audited)				31 December 2021 (Audited)			
	Financing	Advances	Inventory	Total	Financing	Advances	Inventory	Total
	Rupees in '000							
Ijarah	608,831	272,572	-	881,403	583,298	128,997	-	712,295
Ijarah - Islamic long term financing facility	51,507	-	-	51,507	74,207	-	-	74,207
Murabaha	5,801,285	695,608	-	6,496,893	6,105,881	563,205	-	6,669,086
Working capital musharaka	35,050,415	-	-	35,050,415	21,050,328	-	-	21,050,328
Diminishing musharaka	13,797,655	1,278,177	-	15,075,832	11,736,112	377,959	-	12,114,071
Salam	88,090	-	-	88,090	128,000	-	-	128,000
Istisna	3,419,125	3,160,713	3,132,791	9,712,629	2,677,387	3,040,426	-	5,717,813
Al-bai	396,435	-	214,237	610,672	536,632	-	16,961	553,593
Diminishing musharaka:								
- Islamic long term financing facility	1,195,796	1,823,799	-	3,019,595	863,436	1,528,029	-	2,391,465
- Islamic refinance scheme for payment of wages and salaries	818,088	93,534	-	911,622	1,046,640	93,534	-	1,140,174
- Islamic financing facility for storage of agricultural produce	-	598,035	-	598,035	-	598,035	-	598,035
- Islamic temporary economic refinance facility	1,953,818	11,505,115	-	13,458,933	422,229	13,064,204	-	13,486,433
- Islamic financing facility for renewable energy	-	275,301	-	275,301	-	250,848	-	250,848
Islamic Export Refinance								
- Murabaha	494,697	-	-	494,697	760,819	-	-	760,819
- Working capital musharaka	12,496,179	-	-	12,496,179	10,257,000	-	-	10,257,000
- Salam	60,000	-	-	60,000	60,000	61,920	-	121,920
- Istisna	1,150,600	679,700	-	1,830,300	2,259,110	1,075,000	-	3,334,110
- Al-bai	417,144	-	80,594	497,738	7,834	-	-	7,834
Gross Islamic financing and related assets	77,799,665	20,382,554	3,427,622	101,609,841	58,568,913	20,782,157	16,961	79,368,031
Less: provision against non-performing Islamic financings								
- Specific	(673,924)	-	-	(673,924)	(704,654)	-	-	(704,654)
- General	(7,629)	-	-	(7,629)	(6,190)	-	-	(6,190)
	(681,553)	-	-	(681,553)	(710,844)	-	-	(710,844)
Islamic financing and related assets - net of provision	77,118,112	20,382,554	3,427,622	100,928,288	57,858,069	20,782,157	16,961	78,657,187

36.4 Fixed assets and other liabilities

At 31 March 2022, fixed asset include right-of-use assets of Rs. 549,628 thousand (31 December 2021: 545,830 thousand) and other liabilities include related lease liability of Rs. 616,814 thousand (31 December 2021: 615,776 thousand).

36.5 Deposits

	31 March 2022 (Unaudited)			31 December 2021 (Audited)		
	Customers	Financial Institutions	Total	Customers	Financial Institutions	Total
	Rupees in '000					
Current deposits	31,624,325	184,085	31,808,410	27,676,595	67,307	27,743,902
Savings deposits	31,839,840	4,908,795	36,748,635	31,155,998	5,875,671	37,031,669
Term deposits	14,607,889	238,320	14,846,209	17,285,722	217,000	17,502,722
Others	1,608,878	—	1,608,878	1,675,068	—	1,675,068
	<u>79,680,932</u>	<u>5,331,200</u>	<u>85,012,132</u>	<u>77,793,383</u>	<u>6,159,978</u>	<u>83,953,361</u>

36.6 Unappropriated profit

	31 March 2022 (Un-Audited)	31 December 2021 (Audited)
	Rupees in '000	
Opening balance	2,428,232	1,367,552
Add: islamic banking profit for the period	772,758	2,428,232
Less: taxation	—	—
Less: reserves	—	—
Less: transferred to head office	(2,428,232)	(1,367,552)
Closing balance	<u>772,758</u>	<u>2,428,232</u>

36.7 Contingencies and commitments

Guarantees	8,623,496	8,252,346
Commitments	<u>23,786,506</u>	<u>22,215,654</u>
	<u>32,410,002</u>	<u>30,468,000</u>

	31 March 2022	31 March 2021
	(Un-Audited)	
	Rupees in '000	
36.8 Profit / return earned of financing, investments and placement		
Profit earned on:		
Financing	1,383,929	929,276
Investments	597,459	488,899
Placements	87,828	57,846
	<u>2,069,216</u>	<u>1,476,021</u>
36.9 Profit / return on deposits and other dues expensed		
Deposits and other accounts	1,010,166	810,242
Due to financial institutions	146,853	77,735
Discount expense on lease liability against right-of-use assets	16,447	13,109
	<u>1,173,466</u>	<u>901,086</u>

37. GENERAL

37.1 The figures have been rounded off to nearest thousand rupees, unless otherwise stated.

37.2 Comparative information has been re-classified, re-arranged or additionally incorporated in these consolidated condensed interim financial statements wherever necessary to facilitate comparison and better presentation. However, no major reclassification have been made.

38. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on 20 April 2022 by the Board of Directors of the holding company.

FUZAIL ABBAS
Chief Financial Officer

MOHSIN A. NATHANI
President &
Chief Executive Officer

MOHOMED BASHIR
Director

RASHID AHMED JAFER
Director

MOHAMEDALI R. HABIB
Chairman

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