Directors’ Review

On behalf of the Board of Directors, I am pleased to present the condensed interim consolidated financial statements for the quarter ended March 31, 2012.

Financial Performance:

The financial results of the Group are summarized below:

Profit after tax 6,092

Movement of Reserves

Unappropriated profit brought forward 56,981

Profit attributable to shareholders 6,020

Transferred from surplus on revaluation of fixed assets – net of tax 186

Transfer to statutory reserves (565)

Cash dividend (4,408)

Issued as bonus shares (1,102)

Unappropriated profit carried forward 57,112

Earnings per share rupees (Basic & Diluted) 5.46

The economic climate continues to be challenging, both globally and locally; the energy shortage along with other macroeconomic pressures have resulted in lower credit demand in the country. Despite all this, the economy shows signs of modest improvement as a result of improving commodity prices. The trade deficit has been eased by the unprecedented increase in worker remittances, which have crossed $6.3 billion.

HBL continues to show a strong performance; profitability has shown a growth of 22% as compared to the same period last year, with a PAT of Rs. 6.1 billion. HBL’s deposit share improved to 13.8% from 13.5% as at December 2011, reaffirming its market leadership as the largest bank in Pakistan. HBL continues to pursue stringent risk measures to ensure quality of its assets, whilst remaining committed to introducing new products for our customers across the country and all our international locations. We strive to improve our technology, branches and staff skills set to ensure high standards of customer service and so as to be able to maximize outreach of banking services to people across Pakistan.

Appreciation and Acknowledgement

In conclusion, we would like to appreciate the efforts of our Regulators as well as the Government of Pakistan and the Ministry of Finance for strengthening the banking and financial system and framework.

I would like to take this opportunity to also thank on behalf of the Board and Management of the Group, the customers and the shareholders for entrusting their confidence in us and assure them that we remain committed to maintaining high service standards and a strong culture of good corporate governance and compliance in all our endeavors.

On behalf of the Board

R. Zakir Mahmood
President & Chief Executive Officer
April 24, 2012
HABIB BANK LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2012

<table>
<thead>
<tr>
<th>Note</th>
<th>(Unaudited) March 31, 2012</th>
<th>(Audited) December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rupees in '000)</td>
<td>(Rupees in '000)</td>
</tr>
</tbody>
</table>

**ASSETS**

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and balances with treasury banks</td>
<td>106,990,360</td>
<td>103,399,623</td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>35,248,686</td>
<td>47,349,505</td>
</tr>
<tr>
<td>Lendings to financial institutions</td>
<td>10,472,170</td>
<td>41,581,029</td>
</tr>
<tr>
<td>Investments</td>
<td>501,569,909</td>
<td>418,604,147</td>
</tr>
<tr>
<td>Advances</td>
<td>473,628,570</td>
<td>457,367,656</td>
</tr>
<tr>
<td>Operating fixed assets</td>
<td>19,361,449</td>
<td>19,167,654</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>7,303,139</td>
<td>7,275,888</td>
</tr>
<tr>
<td>Other assets</td>
<td>42,833,824</td>
<td>44,808,703</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>1,197,408,107</strong></td>
<td><strong>1,139,554,205</strong></td>
</tr>
</tbody>
</table>

**LIABILITIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bills payable</td>
<td>16,220,595</td>
<td>13,894,502</td>
</tr>
<tr>
<td>Borrowings</td>
<td>61,625,431</td>
<td>39,473,670</td>
</tr>
<tr>
<td>Deposits and other accounts</td>
<td>961,422,860</td>
<td>933,631,525</td>
</tr>
<tr>
<td>Sub-ordinated loans</td>
<td>5,134,690</td>
<td>5,036,100</td>
</tr>
<tr>
<td>Liabilities against assets subject to finance lease</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>40,533,014</td>
<td>37,931,420</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>1,084,936,590</strong></td>
<td><strong>1,029,967,217</strong></td>
</tr>
</tbody>
</table>

**NET ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Equity Attributable to the Equityholders of the Bank</strong></td>
<td>112,471,517</td>
<td>109,586,988</td>
</tr>
<tr>
<td><strong>Non-controlling Interest</strong></td>
<td>1,313,483</td>
<td>1,236,290</td>
</tr>
<tr>
<td><strong>Surplus on Revaluation of Assets - Net of Deferred Tax</strong></td>
<td>8,584,337</td>
<td>8,203,566</td>
</tr>
<tr>
<td><strong>Total Equity Attributable to the Equityholders of the Bank</strong></td>
<td><strong>112,471,517</strong></td>
<td><strong>109,586,988</strong></td>
</tr>
</tbody>
</table>

**CONTINGENCIES AND COMMITMENTS**

The annexed notes 1 to 20 form an integral part of the condensed interim consolidated financial statements.

President and Chief Executive Officer          Director          Director          Director
### HABIB BANK LIMITED

**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)**

**FOR THE THREE MONTHS ENDED MARCH 31, 2012**

<table>
<thead>
<tr>
<th>Note</th>
<th>January 01 to March 31, 2012 (Rupees in '000)</th>
<th>January 01 to March 31, 2011 (Rupees in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Mark-up / return / interest earned</td>
<td>26,567,669</td>
</tr>
<tr>
<td>16</td>
<td>Mark-up / return / interest expensed</td>
<td>12,328,661</td>
</tr>
<tr>
<td></td>
<td>Net mark-up / interest income</td>
<td>14,239,008</td>
</tr>
<tr>
<td>7.2 / 7.4</td>
<td>Provision against non-performing loans and advances - net</td>
<td>1,299,222</td>
</tr>
<tr>
<td>14</td>
<td>Charge against off-balance sheet obligations</td>
<td>14,251</td>
</tr>
<tr>
<td>6.2</td>
<td>Reversal against diminution in the value of investments - net</td>
<td>(297,370)</td>
</tr>
<tr>
<td></td>
<td>Bad debts written off directly</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,016,103</td>
</tr>
</tbody>
</table>

**Non mark-up / interest income**

<table>
<thead>
<tr>
<th>Note</th>
<th>January 01 to March 31, 2012 (Rupees in '000)</th>
<th>January 01 to March 31, 2011 (Rupees in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Fee, commission and brokerage income</td>
<td>1,537,842</td>
</tr>
<tr>
<td></td>
<td>Dividend income</td>
<td>160,641</td>
</tr>
<tr>
<td></td>
<td>Share of profit of associates and joint venture</td>
<td>297,429</td>
</tr>
<tr>
<td></td>
<td>Gain on sale of securities</td>
<td>284,533</td>
</tr>
<tr>
<td></td>
<td>Unrealized loss on held for sale securities</td>
<td>(1,801)</td>
</tr>
<tr>
<td></td>
<td>Income from dealing in foreign currencies</td>
<td>733,087</td>
</tr>
<tr>
<td></td>
<td>Other income</td>
<td>784,211</td>
</tr>
<tr>
<td></td>
<td>Total non-mark-up / interest income</td>
<td>3,795,942</td>
</tr>
</tbody>
</table>

**Non mark-up / interest expense**

<table>
<thead>
<tr>
<th>Note</th>
<th>January 01 to March 31, 2012 (Rupees in '000)</th>
<th>January 01 to March 31, 2011 (Rupees in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Administrative expenses</td>
<td>6,948,719</td>
</tr>
<tr>
<td></td>
<td>Other provisions / write offs - net</td>
<td>24,633</td>
</tr>
<tr>
<td></td>
<td>Other charges</td>
<td>733</td>
</tr>
<tr>
<td></td>
<td>Workers welfare fund</td>
<td>195,547</td>
</tr>
<tr>
<td></td>
<td>Total non mark-up / interest expenses</td>
<td>7,169,632</td>
</tr>
</tbody>
</table>

**Profit before taxation**

<table>
<thead>
<tr>
<th>Note</th>
<th>January 01 to March 31, 2012 (Rupees)</th>
<th>January 01 to March 31, 2011 (Rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Profit before taxation</td>
<td>9,849,215</td>
</tr>
</tbody>
</table>

**Taxation**

<table>
<thead>
<tr>
<th>Note</th>
<th>January 01 to March 31, 2012 (Rupees)</th>
<th>January 01 to March 31, 2011 (Rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>current</td>
<td>3,465,558</td>
</tr>
<tr>
<td></td>
<td>prior</td>
<td>420,777</td>
</tr>
<tr>
<td></td>
<td>deferred</td>
<td>(129,211)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3,757,124</td>
</tr>
</tbody>
</table>

**Profit after taxation**

<table>
<thead>
<tr>
<th>Note</th>
<th>January 01 to March 31, 2012 (Rupees)</th>
<th>January 01 to March 31, 2011 (Rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Profit after taxation</td>
<td>6,092,091</td>
</tr>
</tbody>
</table>

**Attributable to:**

<table>
<thead>
<tr>
<th>Note</th>
<th>January 01 to March 31, 2012 (Rupees)</th>
<th>January 01 to March 31, 2011 (Rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Equity holders of the Bank</td>
<td>6,019,788</td>
</tr>
<tr>
<td></td>
<td>Non-controlling interest</td>
<td>28,906</td>
</tr>
<tr>
<td></td>
<td>Minority investor of HBL funds</td>
<td>43,397</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6,092,091</td>
</tr>
</tbody>
</table>

(Rupees)

**Basic and diluted earnings per share**

<table>
<thead>
<tr>
<th>Note</th>
<th>January 01 to March 31, 2012</th>
<th>January 01 to March 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>5.46</td>
<td>4.50</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 20 form an integral part of the condensed interim consolidated financial statements.

President and Chief Executive Officer          Director    Director    Director
## Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

**For the Three Months Ended March 31, 2012**

<table>
<thead>
<tr>
<th></th>
<th>January 01 to March 31, 2012</th>
<th>January 01 to March 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit for the period</strong></td>
<td>6,092,091</td>
<td>5,000,361</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minority share of HBL funds transferred to other liabilities</td>
<td>(43,397)</td>
<td>(39,010)</td>
</tr>
<tr>
<td>Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates</td>
<td>657,601</td>
<td>338,973</td>
</tr>
<tr>
<td><strong>Comprehensive income transferred to equity</strong></td>
<td>6,706,295</td>
<td>5,300,324</td>
</tr>
<tr>
<td><strong>Components of comprehensive income not reflected in equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus on revaluation of investments</td>
<td>694,441</td>
<td>80,447</td>
</tr>
<tr>
<td>Deferred tax on revaluation of investments</td>
<td>(127,378)</td>
<td>(11,310)</td>
</tr>
<tr>
<td><strong>Total comprehensive income attributable to:</strong></td>
<td>7,273,358</td>
<td>5,369,461</td>
</tr>
<tr>
<td>Equity holders of the Bank</td>
<td>7,152,493</td>
<td>5,319,028</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>77,193</td>
<td>28,642</td>
</tr>
<tr>
<td>Minority investor</td>
<td>43,672</td>
<td>21,791</td>
</tr>
<tr>
<td><strong>Total comprehensive income attributable to:</strong></td>
<td>7,273,358</td>
<td>5,369,461</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 20 form an integral part of the condensed interim consolidated financial statements.
## Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

**FOR THE THREE MONTHS ENDED MARCH 31, 2012**

### Attributable to Shareholders of the Group

<table>
<thead>
<tr>
<th>Share Capital</th>
<th>Exchange Reserves</th>
<th>Statutory Requirement</th>
<th>Other Reserves</th>
<th>Non-controlling Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Joint Venture and Subsidiaries</td>
<td>Bank</td>
<td>Reserve for Issue of Bonus Shares</td>
<td>Unappropriated Profit</td>
</tr>
<tr>
<td>Balance as at December 31, 2010</td>
<td>10,018,800</td>
<td>9,216,986</td>
<td>254,641</td>
<td>13,810,116</td>
<td>-</td>
</tr>
</tbody>
</table>

### Total Comprehensive Income for the Period

**Profit for the three months ended March 31, 2011**

- Minority share of HBL funds transferred to other liabilities
  - (39,010)  
  - (39,010)  
  - (39,010)

### Other Comprehensive Income

- Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates
  - (4,408,272)  
  - (4,408,272)

### Transactions with owners, recorded directly in equity

- Cash dividend at Rs. 6.5 per share
  - (4,408,272)  
  - (4,408,272)

- Issued as bonus shares
  - (1,001,880)  
  - (1,001,880)

- Transferred from surplus on revaluation of fixed assets - net of tax
  - (232,449)  
  - (232,449)

- Transferred to statutory reserves
  - (6,512,220)  
  - (6,512,220)

- Minority share of surplus on revaluation of securities of subsidiaries
  - (43,397)  
  - (43,397)

### Balance as at March 31, 2011

- (46,458)  
- (3,352,662)

**Total comprehensive income for the period**

**Profit for the period ended December 31, 2011**

- Minority share of HBL funds transferred to other liabilities
  - (39,010)  
  - (39,010)  
  - (39,010)

### Other Comprehensive Income

- Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates
  - (4,408,272)  
  - (4,408,272)

### Transactions with owners, recorded directly in equity

- Cash dividend at Rs. 6.5 per share
  - (4,408,272)  
  - (4,408,272)

- Issued as bonus shares
  - (1,001,880)  
  - (1,001,880)

- Transferred from surplus on revaluation of fixed assets - net of tax
  - (232,449)  
  - (232,449)

- Transferred to statutory reserves
  - (6,512,220)  
  - (6,512,220)

- Minority share of surplus on revaluation of securities of subsidiaries
  - (43,397)  
  - (43,397)

### Balance as at December 31, 2010

- (46,458)  
- (3,352,662)

The annexed notes 1 to 20 form an integral part of the condensed interim consolidated financial statements.
**HABIB BANK LIMITED**  
**CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2012**

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2012</th>
<th>March 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rupees in '000)</td>
<td></td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>9,849,215</td>
<td>7,691,346</td>
</tr>
<tr>
<td>Dividend income and share of profit of associates and joint venture</td>
<td>(458,070)</td>
<td>(269,657)</td>
</tr>
<tr>
<td>Gain on sale of securities</td>
<td>(284,533)</td>
<td>(143,789)</td>
</tr>
<tr>
<td><strong>Adjustment for:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation / amortisation</td>
<td>384,414</td>
<td>363,945</td>
</tr>
<tr>
<td>Provision against diminution in the value of investments</td>
<td>(297,370)</td>
<td>(68,831)</td>
</tr>
<tr>
<td>Provision against non-performing loans and advances</td>
<td>1,299,222</td>
<td>2,405,739</td>
</tr>
<tr>
<td>Unrealised loss on held for sale securities</td>
<td>1,801</td>
<td>1,796</td>
</tr>
<tr>
<td>Exchange loss on sub-ordinated loans / Goodwill</td>
<td>28,600</td>
<td>(13,830)</td>
</tr>
<tr>
<td>Loss / (gain) on sale of property and equipment</td>
<td>55,030</td>
<td>(7,731)</td>
</tr>
<tr>
<td>Miscellaneous provisions</td>
<td>38,884</td>
<td>(43,337)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,510,581</td>
<td>2,637,751</td>
</tr>
<tr>
<td><strong>Decrease / (increase) in operating assets</strong></td>
<td>76,884,552</td>
<td>39,630,956</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investments</td>
<td>(81,393,790)</td>
<td>(27,160,823)</td>
</tr>
<tr>
<td>Dividend income received</td>
<td>(3,595)</td>
<td>47,057</td>
</tr>
<tr>
<td>Fixed capital expenditure</td>
<td>(671,590)</td>
<td>(432,694)</td>
</tr>
<tr>
<td>Proceeds from sale of fixed assets</td>
<td>108,341</td>
<td>10,166</td>
</tr>
<tr>
<td>Exchange adjustment on translation of balances in foreign branches, subsidiaries, joint venture and associates</td>
<td>628,757</td>
<td>316,242</td>
</tr>
<tr>
<td><strong>Net cash flows used in investing activities</strong></td>
<td>(81,331,877)</td>
<td>(27,220,052)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investments</td>
<td>28,844</td>
<td>22,731</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>(4,091,601)</td>
<td>(5,995,955)</td>
</tr>
<tr>
<td><strong>Net cash flows used in financing activities</strong></td>
<td>(4,062,757)</td>
<td>(5,973,224)</td>
</tr>
<tr>
<td><strong>(Decrease) / increase in cash and cash equivalents during the period</strong></td>
<td>(8,510,082)</td>
<td>6,437,680</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the period</td>
<td>148,335,250</td>
<td>116,884,890</td>
</tr>
<tr>
<td>Effects of exchange rate changes on cash and cash equivalents</td>
<td>2,413,878</td>
<td>2,168,541</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of the period</strong></td>
<td>142,239,046</td>
<td>125,491,111</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 20 form an integral part of the condensed interim consolidated financial statements.
1 THE GROUP AND ITS OPERATIONS

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking, modaraba management and asset management related services in Pakistan and overseas. The Bank’s registered office is located at Habib Bank Tower, 4th Floor, Jinnah Avenue, Islamabad. The Bank's shares are listed on the stock exchanges in Pakistan. The Group consists of the Bank, its subsidiaries and associates, as given in its annual consolidated financial statements for the year ended December 31, 2011.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the framework as referred to in the annual consolidated financial statements. The disclosures made in these condensed interim consolidated financial statements have been limited based on the format prescribed by SBP vide BSD Circular Letter No. 2 dated May 12, 2004 and International Accounting Standard 34, "Interim Financial Reporting". They do not include all the disclosures required for annual financial statements, and these condensed interim consolidated financial statements should be read in conjunction with the consolidated annual financial statements of the Group for the year ended December 31, 2011.

3 ACCOUNTING POLICIES

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

4 ACCOUNTING ESTIMATES

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

5 FINANCIAL RISK MANAGEMENT

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

### Held-for-trading (HFT)

<table>
<thead>
<tr>
<th></th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>group</td>
<td></td>
<td>(Rupees in '000)</td>
<td>group</td>
<td></td>
<td>(Rupees in '000)</td>
</tr>
<tr>
<td>Pakistan Investment Bonds</td>
<td>210,579</td>
<td>-</td>
<td>210,579</td>
<td>395,470</td>
<td>-</td>
<td>395,470</td>
</tr>
<tr>
<td>Market Treasury Bills</td>
<td>9,714,639</td>
<td>-</td>
<td>9,714,639</td>
<td>2,870,862</td>
<td>-</td>
<td>2,870,862</td>
</tr>
<tr>
<td>Shares</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments of Mutual Funds</td>
<td>179,623</td>
<td>-</td>
<td>179,623</td>
<td>170,235</td>
<td>-</td>
<td>170,235</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,104,841</td>
<td>-</td>
<td>10,104,841</td>
<td>3,436,567</td>
<td>-</td>
<td>3,436,567</td>
</tr>
</tbody>
</table>

### Held-to-maturity securities (HTM)

#### Federal Government Securities

<table>
<thead>
<tr>
<th></th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>group</td>
<td></td>
<td>(Rupees in '000)</td>
<td>group</td>
<td></td>
<td>(Rupees in '000)</td>
</tr>
<tr>
<td>Pakistan Investment Bonds</td>
<td>44,182,572</td>
<td>-</td>
<td>44,182,572</td>
<td>44,181,840</td>
<td>-</td>
<td>44,181,840</td>
</tr>
<tr>
<td>Debentures and Corporate Debt Instruments</td>
<td>242,492</td>
<td>-</td>
<td>242,492</td>
<td>242,492</td>
<td>-</td>
<td>242,492</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>44,425,064</td>
<td>-</td>
<td>44,425,064</td>
<td>44,424,332</td>
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<td>44,424,332</td>
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</tbody>
</table>

### Available-for-sale securities (AFS)

#### Federal Government Securities

<table>
<thead>
<tr>
<th></th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>group</td>
<td></td>
<td>(Rupees in '000)</td>
<td>group</td>
<td></td>
<td>(Rupees in '000)</td>
</tr>
<tr>
<td>Market Treasury Bills</td>
<td>314,543,549</td>
<td>21,585,864</td>
<td>336,129,413</td>
<td>265,930,965</td>
<td>-</td>
<td>265,930,965</td>
</tr>
<tr>
<td>Pakistan Investment Bonds</td>
<td>28,296,947</td>
<td>200,000</td>
<td>28,496,947</td>
<td>26,335,105</td>
<td>-</td>
<td>26,335,105</td>
</tr>
<tr>
<td>Government of Pakistan Guaranteed Bonds</td>
<td>425,000</td>
<td>-</td>
<td>425,000</td>
<td>425,000</td>
<td>-</td>
<td>425,000</td>
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<tr>
<td><strong>Total</strong></td>
<td>420,088,079</td>
<td>21,785,864</td>
<td>441,873,943</td>
<td>366,912,143</td>
<td>-</td>
<td>366,912,143</td>
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</tbody>
</table>

#### Overseas Government Securities

<table>
<thead>
<tr>
<th></th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>group</td>
<td></td>
<td>(Rupees in '000)</td>
<td>group</td>
<td></td>
<td>(Rupees in '000)</td>
</tr>
<tr>
<td>Listed companies</td>
<td>2,409,754</td>
<td>-</td>
<td>2,409,754</td>
<td>2,510,571</td>
<td>-</td>
<td>2,510,571</td>
</tr>
<tr>
<td>Unlisted companies</td>
<td>761,005</td>
<td>-</td>
<td>761,005</td>
<td>761,038</td>
<td>-</td>
<td>761,038</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,170,759</td>
<td>-</td>
<td>3,170,759</td>
<td>3,271,609</td>
<td>-</td>
<td>3,271,609</td>
</tr>
</tbody>
</table>

#### Debentures and Corporate Debt Instruments

<table>
<thead>
<tr>
<th></th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>group</td>
<td></td>
<td>(Rupees in '000)</td>
<td>group</td>
<td></td>
<td>(Rupees in '000)</td>
</tr>
<tr>
<td>Listed securities</td>
<td>7,566,807</td>
<td>-</td>
<td>7,566,807</td>
<td>6,264,740</td>
<td>-</td>
<td>6,264,740</td>
</tr>
<tr>
<td>Unlisted securities</td>
<td>31,041,868</td>
<td>-</td>
<td>31,041,868</td>
<td>27,879,121</td>
<td>-</td>
<td>27,879,121</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>38,608,675</td>
<td>-</td>
<td>38,608,675</td>
<td>34,143,861</td>
<td>-</td>
<td>34,143,861</td>
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</tbody>
</table>

#### NIT Units

<table>
<thead>
<tr>
<th></th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>group</td>
<td></td>
<td>(Rupees in '000)</td>
<td>group</td>
<td></td>
<td>(Rupees in '000)</td>
</tr>
<tr>
<td></td>
<td>NIT Units</td>
<td>-</td>
<td>NIT Units</td>
<td>3,403,293</td>
<td>-</td>
<td>3,403,293</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,403,293</td>
<td>-</td>
<td>3,403,293</td>
<td>3,436,949</td>
<td>-</td>
<td>3,436,949</td>
</tr>
</tbody>
</table>

#### Preference Shares

<table>
<thead>
<tr>
<th></th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Preference Shares</td>
<td>-</td>
<td>Preference Shares</td>
<td>200,000</td>
<td>-</td>
<td>200,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>200,000</td>
<td>-</td>
<td>200,000</td>
<td>200,000</td>
<td>-</td>
<td>200,000</td>
</tr>
</tbody>
</table>

#### Investments of Mutual Funds

<table>
<thead>
<tr>
<th></th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>group</td>
<td></td>
<td>(Rupees in '000)</td>
<td>group</td>
<td></td>
<td>(Rupees in '000)</td>
</tr>
<tr>
<td></td>
<td>Investments of Mutual Funds</td>
<td>-</td>
<td>Investments of Mutual Funds</td>
<td>3,403,293</td>
<td>-</td>
<td>3,403,293</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,403,293</td>
<td>-</td>
<td>3,403,293</td>
<td>3,436,949</td>
<td>-</td>
<td>3,436,949</td>
</tr>
</tbody>
</table>

### Investment in associates and Joint Venture

<table>
<thead>
<tr>
<th></th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment in associates and Joint Venture</td>
<td>-</td>
<td>Investment in associates and Joint Venture</td>
<td>6,915,572</td>
<td>-</td>
<td>6,915,572</td>
</tr>
</tbody>
</table>

### Investment at cost

<table>
<thead>
<tr>
<th></th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment at cost</td>
<td>-</td>
<td>Investment at cost</td>
<td>481,533,556</td>
<td>21,785,864</td>
<td>503,319,420</td>
</tr>
</tbody>
</table>

### Provision for diminution / impairment in the value of investments including associates

<table>
<thead>
<tr>
<th></th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Provision for diminution / impairment in the value of investments including associates</td>
<td>-</td>
<td>Provision for diminution / impairment in the value of investments including associates</td>
<td>(2,067,013)</td>
<td>-</td>
<td>(2,067,013)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>479,466,543</td>
<td>21,785,864</td>
<td>501,252,407</td>
<td>419,013,482</td>
<td>-</td>
<td>419,013,482</td>
</tr>
</tbody>
</table>

### Net Investment

<table>
<thead>
<tr>
<th></th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net Investment</td>
<td>-</td>
<td>Net Investment</td>
<td>479,466,543</td>
<td>21,785,864</td>
<td>501,252,407</td>
</tr>
</tbody>
</table>

### Deficit on revaluation of held for trading securities

<table>
<thead>
<tr>
<th></th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
<th>Held by</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Deficit on revaluation of held for trading securities</td>
<td>-</td>
<td>Deficit on revaluation of held for trading securities</td>
<td>(4,424)</td>
<td>-</td>
<td>(4,424)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>479,884,045</td>
<td>21,785,864</td>
<td>501,669,909</td>
<td>418,604,147</td>
<td>-</td>
<td>418,604,147</td>
</tr>
</tbody>
</table>

6.1 The market value of securities classified as "held-to-maturity" as at March 31, 2012 amounted to Rs. 43,514.800 million (2011: Rs. 43,459.276 million).
6.2  Particulars of provision held against diminution in value of investments

The balances above are stated net of specific provision held. The analysis of total provision held is as follows:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rupees in '000)</td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>2,364,383</td>
<td>2,122,286</td>
</tr>
<tr>
<td>(Reversal) / Charge for the period / year - net</td>
<td>(169,495)</td>
<td>152,275</td>
</tr>
<tr>
<td>Impairment (reversal) / charge on listed securities - net</td>
<td>(127,875)</td>
<td>84,808</td>
</tr>
<tr>
<td>Total (reversal) / charge - net</td>
<td>(297,370)</td>
<td>237,083</td>
</tr>
<tr>
<td>Exchange adjustment</td>
<td>-</td>
<td>5,014</td>
</tr>
<tr>
<td>Closing balance</td>
<td>2,067,013</td>
<td>2,364,383</td>
</tr>
</tbody>
</table>

6.3  These financial statements include results of following period of our associates and joint venture:

Based on the financial statements as on

Diamond Trust Bank Limited, Kenya  March 31, 2012
Himalayan Bank Limited, Nepal  December 31, 2011
Kyrgyz Investment and Credit Bank  March 31, 2012
Jubilee Life Insurance Company Limited  December 31, 2011
Jubilee General Insurance Company Limited  December 31, 2011
HBL Money Market Fund  March 31, 2012
HBL Islamic Stock Fund  March 31, 2012
HBL Islamic Money Market Fund  March 31, 2012
HBL Pension Equity Sub Fund  March 31, 2012
HBL Pension Debt Sub Fund  March 31, 2012
HBL Pension Money Market Sub Fund  March 31, 2012
HBL Islamic Pension Equity Sub Fund  March 31, 2012
HBL Islamic Pension Debt Sub Fund  March 31, 2012
HBL Islamic Pension Money Market Sub Fund  March 31, 2012

7  ADVANCES

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rupees in '000)</td>
<td></td>
</tr>
<tr>
<td>Loans, cash credits, running finances, etc.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In Pakistan  375,263,683  361,688,597
Outside Pakistan  90,657,187  90,131,791

Net investment in finance lease - in Pakistan  4,049,713  3,852,860

Bills discounted and purchased (excluding Government treasury bills)

Payable in Pakistan  11,670,627  10,420,082
Payable outside Pakistan  39,096,700  37,360,374

50,767,327  47,780,456

Provision against non-performing advances  7.2  (47,109,340)  (46,086,048)

473,628,570  457,367,656

Fully provided non-performing advances classified as loss for more than five years

In Pakistan  14,069,355  13,640,851
Provision  7.4  (14,069,355)  (13,640,851)
7.1 Advances include Rs. 58,797.423 million (2011: Rs. 56,549.062 million) which have been placed under non-performing status, other than those accounts classified as loss and fully provided for more than five years, which have been placed in a separate category.

<table>
<thead>
<tr>
<th>Category of classification</th>
<th>March 31, 2012</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Domestic</td>
<td>Overseas</td>
<td>Total</td>
<td>Domestic</td>
<td>Overseas</td>
<td>Total</td>
<td>Domestic</td>
<td>Overseas</td>
<td>Total</td>
<td>Domestic</td>
<td>Overseas</td>
<td>Total</td>
<td>Domestic</td>
</tr>
<tr>
<td>Specific provision</td>
<td>1,553,177</td>
<td>-</td>
<td>1,553,177</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,553,177</td>
<td>-</td>
<td>1,553,177</td>
<td>1,553,177</td>
<td>-</td>
<td>1,553,177</td>
<td></td>
</tr>
<tr>
<td>Other assets especially</td>
<td>6,680,805</td>
<td>3,874,198</td>
<td>10,555,003</td>
<td>1,567,853</td>
<td>813,238</td>
<td>2,381,091</td>
<td>5,112,952</td>
<td>3,060,960</td>
<td>8,173,912</td>
<td>6,680,805</td>
<td>3,874,198</td>
<td>10,555,003</td>
<td>1,567,853</td>
</tr>
<tr>
<td>Substandard</td>
<td>4,540,121</td>
<td>2,203,115</td>
<td>6,743,236</td>
<td>2,270,061</td>
<td>1,530,184</td>
<td>3,800,245</td>
<td>2,270,060</td>
<td>672,931</td>
<td>2,942,991</td>
<td>4,540,121</td>
<td>2,203,115</td>
<td>6,743,236</td>
<td>2,270,061</td>
</tr>
<tr>
<td>Doubtful</td>
<td>30,635,410</td>
<td>9,310,597</td>
<td>39,946,007</td>
<td>29,904,447</td>
<td>9,221,788</td>
<td>39,126,235</td>
<td>730,963</td>
<td>88,809</td>
<td>819,772</td>
<td>30,635,410</td>
<td>9,310,597</td>
<td>39,946,007</td>
<td>29,904,447</td>
</tr>
<tr>
<td>General provision</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,315,391</td>
<td>486,378</td>
<td>1,801,769</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,315,391</td>
</tr>
</tbody>
</table>

7.2 Particulars of provision against non-performing advances

<table>
<thead>
<tr>
<th>Note</th>
<th>March 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>44,307,124</td>
<td>41,177,649</td>
</tr>
<tr>
<td>Exchange adjustment / other movement</td>
<td>301,892</td>
<td>676,468</td>
</tr>
<tr>
<td>Transfer of provision on consolidation of Habibsons Bank limited</td>
<td>-</td>
<td>110,342</td>
</tr>
<tr>
<td>Charge for the period / year</td>
<td>1,428,491</td>
<td>7,668,524</td>
</tr>
<tr>
<td>Reversals</td>
<td>30,415</td>
<td>401,035</td>
</tr>
<tr>
<td>Write offs</td>
<td>1,984,076</td>
<td>7,267,489</td>
</tr>
<tr>
<td>Transferred to interest suspense</td>
<td>-</td>
<td>(753,595)</td>
</tr>
<tr>
<td>Transferred to over 5 years category</td>
<td>587,866</td>
<td>(2,198,908)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>45,307,124</td>
<td>44,307,124</td>
</tr>
</tbody>
</table>

7.3 In accordance with BSD Circular No. 2 dated January 27, 2009 and BSD Circular No.10 dated October 20, 2009 issued by the State Bank of Pakistan, the Bank has availed the benefit of FSV against the non-performing advances (excluding consumer housing finance portfolio). Had this benefit of FSV not been taken by the Bank, the specific provision against non-performing advances as at March 31, 2012 would have been higher by Rs. 684.726 million and profit before taxation for the period ended March 31, 2012 would have been higher by approximately Rs 3 million (after taking into account the effect of discounting of FSV taken in previous year). Increase in retained earnings net of tax amounting to Rs. 445.071 million would not be available for the distribution of cash and stock dividend to shareholders.
7.4 Particulars of provision against fully provided non-performing advances classified as loss for more than five years

<table>
<thead>
<tr>
<th>Note</th>
<th>March 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rupees in '000)</td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>13,640,851</td>
<td>12,527,683</td>
</tr>
<tr>
<td>Reversals</td>
<td>(154,733)</td>
<td>(816,117)</td>
</tr>
<tr>
<td>Transferred during the period / year</td>
<td>7.2</td>
<td>587,866</td>
</tr>
<tr>
<td>Write offs</td>
<td>(4,629)</td>
<td>(43,036)</td>
</tr>
<tr>
<td>14,069,355</td>
<td>13,640,851</td>
<td></td>
</tr>
</tbody>
</table>

7.5 Particulars of loans and advances to directors, associated companies, etc.

<table>
<thead>
<tr>
<th>March 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance outstanding</td>
<td>Maximum total amount of loans and advances including temporary advances outstanding **</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>Debts due by directors or executives of the Group or any of them either severally or jointly with any other persons:</td>
<td></td>
</tr>
<tr>
<td>- in respect of executives * (Other than KMPs)</td>
<td>1,250,200</td>
</tr>
<tr>
<td>- in respect of key management personnel / Companies in which key management personnel or their spouse are interested</td>
<td>595,724</td>
</tr>
<tr>
<td>Debts due by companies or firms in which the directors of the Group are interested as directors, partners or in the case of private companies as members</td>
<td>935,442</td>
</tr>
<tr>
<td>Debts due by companies in which key management personnel are nominated by the Bank as directors</td>
<td>8,329,688</td>
</tr>
<tr>
<td>- Guaranteed by Government</td>
<td>28,831</td>
</tr>
<tr>
<td>- Others</td>
<td>3,100,866</td>
</tr>
<tr>
<td>The disclosure of the period / year end balance, limit / amount sanctioned and the highest amount outstanding during the period / year is considered the most meaningful information to represent the amount of the transactions and the amount of outstanding balances during the period / year.</td>
<td></td>
</tr>
</tbody>
</table>

* (These represent staff loans given by the Group to its executives as per their terms of employment).
** (Maximum amount has been arrived at by reference to month end balance).

8 FIXED ASSETS

<table>
<thead>
<tr>
<th>March 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Rupees in '000)</td>
<td></td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>16,573,389</td>
</tr>
<tr>
<td>Intangible assets</td>
<td></td>
</tr>
<tr>
<td>- Goodwill</td>
<td>1,616,307</td>
</tr>
<tr>
<td>- Computer software</td>
<td>114,228</td>
</tr>
<tr>
<td>Capital work-in-progress</td>
<td>1,057,525</td>
</tr>
<tr>
<td>19,361,444</td>
<td>19,167,654</td>
</tr>
</tbody>
</table>
8.1 Additions to fixed assets

For the three months ended
March 31, March 31,
2012 2011
(Rupees in '000)

The following additions have been made to tangible and intangible fixed assets during the period:

**Tangible fixed assets**

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>March 31, 2012</th>
<th>March 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>1,312</td>
<td>104</td>
</tr>
<tr>
<td>Building including related machinery</td>
<td>162,893</td>
<td>167,232</td>
</tr>
<tr>
<td>Furniture, fixtures and office equipments</td>
<td>242,153</td>
<td>153,358</td>
</tr>
<tr>
<td>Vehicles</td>
<td>6,359</td>
<td>8,117</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>4,480</td>
<td>110</td>
</tr>
<tr>
<td>Capital work-in-progress</td>
<td>254,393</td>
<td>103,773</td>
</tr>
</tbody>
</table>

**Total**                                               671,590          432,694

8.2 Disposal of fixed assets

The following disposals have been made from tangible and intangible fixed assets during the period:

**Tangible fixed assets**

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>March 31, 2012</th>
<th>March 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>156,864</td>
<td>-</td>
</tr>
<tr>
<td>Building including related machinery</td>
<td>4,943</td>
<td>-</td>
</tr>
<tr>
<td>Furniture, fixtures and office equipments</td>
<td>50,969</td>
<td>147,079</td>
</tr>
<tr>
<td>Vehicles</td>
<td>1,330</td>
<td>3,424</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>249</td>
<td>126</td>
</tr>
</tbody>
</table>

**Total**                                               214,355          150,629

9 BORROWINGS

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>March 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings from State Bank of Pakistan under:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Export refinance scheme</td>
<td>18,002,868</td>
<td>18,182,197</td>
</tr>
<tr>
<td>Long term financing facility - locally manufactured and imported plant &amp; machinery</td>
<td>4,311,346</td>
<td>4,204,722</td>
</tr>
<tr>
<td>Long term finance - export oriented projects</td>
<td>1,476,429</td>
<td>1,774,534</td>
</tr>
<tr>
<td>Repurchase agreement borrowings</td>
<td>21,785,864</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>45,576,507</td>
<td>24,161,453</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>March 31, 2012</th>
<th>March 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsecured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In Pakistan:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interbank call money borrowings</td>
<td>5,450,000</td>
<td>3,600,000</td>
</tr>
<tr>
<td>Outside Pakistan:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overdrawn nostro accounts</td>
<td>574,307</td>
<td>455,484</td>
</tr>
<tr>
<td>Borrowings of overseas branches and subsidiaries</td>
<td>10,024,617</td>
<td>11,256,733</td>
</tr>
<tr>
<td></td>
<td>10,598,924</td>
<td>11,712,217</td>
</tr>
<tr>
<td></td>
<td>16,048,924</td>
<td>15,312,217</td>
</tr>
<tr>
<td></td>
<td>61,625,431</td>
<td>39,473,670</td>
</tr>
</tbody>
</table>
10 DEPOSITS AND OTHER ACCOUNTS

March 31, December 31,
2012 2011
(Rupees in '000)

Customers

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed deposits</td>
<td>289,158,521</td>
<td>281,178,059</td>
</tr>
<tr>
<td>Savings chequing account</td>
<td>412,931,902</td>
<td>392,253,551</td>
</tr>
<tr>
<td>Current accounts - remunerative</td>
<td>1,693,560</td>
<td>1,694,058</td>
</tr>
<tr>
<td>Current accounts - non-remunerative</td>
<td>243,518,130</td>
<td>240,687,417</td>
</tr>
<tr>
<td></td>
<td>947,302,113</td>
<td>915,813,085</td>
</tr>
</tbody>
</table>

Financial institutions

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remunerative deposits</td>
<td>7,462,562</td>
<td>11,186,564</td>
</tr>
<tr>
<td>Non-remunerative deposits</td>
<td>6,658,185</td>
<td>6,631,876</td>
</tr>
<tr>
<td></td>
<td>14,120,747</td>
<td>17,818,440</td>
</tr>
<tr>
<td></td>
<td>961,422,860</td>
<td>933,631,525</td>
</tr>
</tbody>
</table>

11 SUB-ORDINATED LOANS

11.1 The Group has obtained loan from "International Finance Corporation" (IFC) amounting to US $ 50 million (2010: US $ 50 million) equivalent to Pak Rupees 4,533.080 million (2011: 4,497.285 million). The principal amount is repayable in four equal half yearly installments commencing from the year 2013 to 2014. Interest is payable on bi-annual basis commencing from December 2007 at LIBOR + 1.75%. The loan is unsecured and subordinated as to payment of principal and interest to all other indebtedness of the group (including deposits). The loan may not be prepaid or repaid before maturity without the prior written approval of the State Bank of Pakistan. The Bank is not exposed to significant exchange risk as the loan forms part of the Bank's foreign currency net open position.

11.2 During the year 2010, Habibsons Bank Limited has issued a subordinated loan of US $ 6 million equivalent to pak rupees 601.610 million. This is repayable in the year 2020 and carries interest at LIBOR + 2.00%. The loan is subordinated to the claims of depositors and other creditors.

12 SURPLUS ON REVALUATION OF ASSETS - net of deferred tax

March 31, December 31,
Note 2012 2011
(Rupees in '000)

Surplus arising on revaluation of:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>fixed assets</td>
<td>12.1 8,156,090</td>
<td>8,342,382</td>
</tr>
<tr>
<td>investments</td>
<td>12.2 428,247</td>
<td>(138,816)</td>
</tr>
<tr>
<td>Surplus on revaluation of assets - net of deferred tax</td>
<td>8,584,337</td>
<td>8,203,566</td>
</tr>
</tbody>
</table>
12.1 **Surplus on revaluation of fixed assets**

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rupees in '000)</td>
<td></td>
</tr>
<tr>
<td>Surplus on revaluation of fixed assets as at January 1</td>
<td>9,143,739</td>
<td>9,476,539</td>
</tr>
<tr>
<td>Surplus realised on disposal of revalued properties during the period / year</td>
<td>(155,285)</td>
<td>(139,331)</td>
</tr>
<tr>
<td>Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year - net of deferred tax</td>
<td>(31,007)</td>
<td>(124,168)</td>
</tr>
<tr>
<td>Related deferred tax liability of incremental depreciation charged during the period / year</td>
<td>(16,696)</td>
<td>(66,860)</td>
</tr>
<tr>
<td>Related deferred tax liability on disposal of revalued properties</td>
<td>(873)</td>
<td>(2,441)</td>
</tr>
<tr>
<td>Surplus on revaluation of fixed assets as at period / year end</td>
<td>8,939,878</td>
<td>9,143,739</td>
</tr>
<tr>
<td>Less: related deferred tax liability on:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- revaluation as at January 1</td>
<td>801,357</td>
<td>870,658</td>
</tr>
<tr>
<td>- surplus realised on disposal of revalued properties during the period / year</td>
<td>(873)</td>
<td>(2,441)</td>
</tr>
<tr>
<td>- incremental depreciation charged during the period / year transferred to profit and loss account</td>
<td>(16,696)</td>
<td>(66,860)</td>
</tr>
<tr>
<td></td>
<td>783,788</td>
<td>801,357</td>
</tr>
<tr>
<td></td>
<td>8,156,090</td>
<td>8,342,382</td>
</tr>
</tbody>
</table>

12.2 **Surplus / (deficit) on revaluation of investments**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Treasury Bills</td>
<td>328,819</td>
<td>611,824</td>
</tr>
<tr>
<td>Pakistan Investment Bonds</td>
<td>(322,062)</td>
<td>(197,281)</td>
</tr>
<tr>
<td>Sukuk and Euro Bonds</td>
<td>(769,561)</td>
<td>(834,680)</td>
</tr>
<tr>
<td>Listed Securities</td>
<td>768,775</td>
<td>157,497</td>
</tr>
<tr>
<td>NIT Units</td>
<td>8,824</td>
<td>7,089</td>
</tr>
<tr>
<td>Other Investments</td>
<td>271,230</td>
<td>(111,169)</td>
</tr>
<tr>
<td></td>
<td>286,025</td>
<td>(366,720)</td>
</tr>
<tr>
<td>Surplus / (deficit) on revaluation of investment of associates</td>
<td>35,901</td>
<td>(5,795)</td>
</tr>
<tr>
<td>Related deferred tax asset</td>
<td>106,321</td>
<td>233,699</td>
</tr>
<tr>
<td></td>
<td>428,247</td>
<td>(138,816)</td>
</tr>
</tbody>
</table>

13 **CONTINGENCIES AND COMMITMENTS**

13.1 **Direct credit substitutes - financial guarantees**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guarantees in favour of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Government</td>
<td>358,219</td>
<td>354,078</td>
</tr>
<tr>
<td>- Financial institutions</td>
<td>317,469</td>
<td>318,596</td>
</tr>
<tr>
<td>- Others</td>
<td>24,589,228</td>
<td>22,236,973</td>
</tr>
<tr>
<td></td>
<td>25,264,916</td>
<td>22,909,647</td>
</tr>
</tbody>
</table>

13.2 **Transaction-related contingent liabilities**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guarantees in favour of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Government</td>
<td>1,408,551</td>
<td>1,604,813</td>
</tr>
<tr>
<td>- Financial institutions</td>
<td>1,734,946</td>
<td>636,292</td>
</tr>
<tr>
<td>- Others</td>
<td>34,400,174</td>
<td>33,562,792</td>
</tr>
<tr>
<td></td>
<td>37,543,671</td>
<td>35,803,897</td>
</tr>
</tbody>
</table>
13.3 Trade-related commitments

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rupees in ‘000)</td>
<td></td>
</tr>
<tr>
<td>Credit cash</td>
<td>67,194,514</td>
<td>70,799,073</td>
</tr>
<tr>
<td>Credit documentary acceptances</td>
<td>13,952,546</td>
<td>23,706,700</td>
</tr>
<tr>
<td>Credit acceptances</td>
<td>28,311,099</td>
<td>24,016,127</td>
</tr>
<tr>
<td></td>
<td>109,458,159</td>
<td>118,521,900</td>
</tr>
</tbody>
</table>

13.4 Other contingencies

Claims against the Group not acknowledged as debts | 77,429,378 | 84,671,933

13.5 Commitments in respect of forward lending

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 significant penalty or expense if the facility is unilaterally withdrawn.

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rupees in ‘000)</td>
<td></td>
</tr>
</tbody>
</table>

13.6 Commitments in respect of forward foreign and local exchange contracts

<table>
<thead>
<tr>
<th></th>
<th>Purchase</th>
<th>Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>119,211,122</td>
<td>119,458,927</td>
</tr>
<tr>
<td>Purchase</td>
<td>119,577,433</td>
<td>151,582,034</td>
</tr>
</tbody>
</table>

The above commitments have maturities falling within one year.

13.7 Commitments for acquisition of operating fixed assets / intangibles

<table>
<thead>
<tr>
<th></th>
<th>Purchase</th>
<th>Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>485,176</td>
<td>332,426</td>
</tr>
<tr>
<td>Commitments in respect of foreign currency options</td>
<td>482,551</td>
<td>329,801</td>
</tr>
</tbody>
</table>

13.8 Taxation

The income tax returns of Habib Bank Limited have been submitted upto and including the bank’s financial year 2010. The tax authorities have concluded the audit of years 2002 through 2010.

While amending the assessment under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2006 the tax authorities have disallowed double income tax relief relating to Azad Jammu & Kashmir (AJK) branches amounting to Rs. 2,923 million.
Management’s view is that the settlement reached, after deliberations by the technical committee formed by the Prime Minister and Chairman AJ&K Council, relates to the long outstanding issue of basis of computation of income in AJK. The foreign tax credit claimed by the bank is in accordance with accounting practice and the law.

Appeal against this issue is pending at appellate stage. Although the bank has made payment of tax assessed, under protest, no provision has been made in the financial statements for the above liability, as the management is confident that the eventual outcome of this issue will be in the favor of the bank.

With reference to allowability of provision as per rule 8(A) of the seventh schedule, the management has carried out an exercise at period end and concluded that full deduction of provision in succeeding years would be allowed and accordingly recognized deferred tax asset on such provision amounting to Rs. 1.977 billion.

14 BENAZIR EMPLOYEES STOCK OPTION SCHEME

On August 14, 2009, the Government of Pakistan (GoP) launched Benazir Employees’ Stock Option Scheme [“the Scheme’] for employees of certain State Owned Enterprises (SOEs) and non-State Owned Enterprises as fully explained in annual consolidated financial statements.

The Scheme, needs to be accounted for by the covered entities, including the Group, under the provision of amended International Financial Reporting Standard 2 - Share Based Payments (IFRS 2). However, keeping in view the difficulties that may be faced by the entities covered under the Scheme, the SECP has granted exemption to such entities from the application of IFRS 2 to the Scheme.

Had the exemption not been granted the staff costs of the Group for the period would have been higher by Rs. 355 million, profit before taxation would have been lower by Rs. 355 million (earnings per share would have been lower by Rs. 0.32 per share) and, as the Scheme is fully funded by GoP, there would have been no impact on retained earnings / equity of the Group.

15 MARK-UP / RETURN / INTEREST EARNED

<table>
<thead>
<tr>
<th></th>
<th>For the three months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2012</td>
</tr>
<tr>
<td></td>
<td>(Rupees in '000)</td>
</tr>
<tr>
<td>On loans and advances to:</td>
<td></td>
</tr>
<tr>
<td>- Customers</td>
<td>13,232,836</td>
</tr>
<tr>
<td>- Financial institutions</td>
<td>54,964</td>
</tr>
<tr>
<td>On investments:</td>
<td></td>
</tr>
<tr>
<td>- Available-for-sale</td>
<td>10,849,756</td>
</tr>
<tr>
<td>- Held-for-trading</td>
<td>256,752</td>
</tr>
<tr>
<td>- Held-to-maturity</td>
<td>1,250,158</td>
</tr>
<tr>
<td>On deposits with financial institutions</td>
<td>218,548</td>
</tr>
<tr>
<td>On lendings to financial institutions</td>
<td>704,655</td>
</tr>
<tr>
<td></td>
<td>26,567,669</td>
</tr>
</tbody>
</table>

16 MARK-UP / RETURN / INTEREST EXPENSED

<table>
<thead>
<tr>
<th></th>
<th>Rupees in ’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>11,302,464</td>
</tr>
<tr>
<td>Securities sold under repurchase agreement borrowings</td>
<td>260,871</td>
</tr>
<tr>
<td>Other short term borrowings</td>
<td>635,020</td>
</tr>
<tr>
<td>Long term borrowings</td>
<td>130,306</td>
</tr>
<tr>
<td></td>
<td>12,328,661</td>
</tr>
</tbody>
</table>
Aga Khan Fund for Economic Development, S.A, Switzerland holds 51% shares of the Bank. The Group has related party relationship with its associated undertakings, joint venture company, associates of AKFED Group entities, employee benefit schemes of the Group / related party, and members of the Key Management Personnel of the Group / related party, including both Executive and Non-Executive Directors.

Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than normal risk (i.e. under the comparable uncontrolled price method) other then those under terms of employment. Details of loans and advances to related parties are given in note 7.5 to these financial statements.

Contributions to and accruals in respect of staff retirement and other benefit schemes are made in accordance with the actuarial valuation / terms of the contribution plan.

Details of transactions with related parties and balances with them as at the period / year-end were as follows:

<table>
<thead>
<tr>
<th>March 31, 2012</th>
<th>Individual and companies related through</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Directors</td>
</tr>
<tr>
<td>Balance Sheet</td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>846,965</td>
</tr>
<tr>
<td>Borrowings</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>562,722</td>
</tr>
<tr>
<td>Markup / Other Receivable</td>
<td>53,952</td>
</tr>
<tr>
<td>Mark-up / Other Payable</td>
<td>34,824</td>
</tr>
<tr>
<td>Overdrawn Nostro</td>
<td>8,967</td>
</tr>
<tr>
<td>Impairment provision</td>
<td>-</td>
</tr>
<tr>
<td>Profit and Loss</td>
<td></td>
</tr>
<tr>
<td>Interest / Other Income</td>
<td>57,606</td>
</tr>
<tr>
<td>Interest / Other Expense</td>
<td>101,138</td>
</tr>
<tr>
<td>Dividend income</td>
<td>6,627</td>
</tr>
<tr>
<td>Others</td>
<td></td>
</tr>
<tr>
<td>Other contingencies</td>
<td>240,268</td>
</tr>
<tr>
<td>Securities Held as custodian</td>
<td>9,844,900</td>
</tr>
</tbody>
</table>
Individual and companies related through

<table>
<thead>
<tr>
<th>Directors</th>
<th>Key Management Personnel</th>
<th>Parent Group Entities</th>
<th>Subsidiary companies</th>
<th>Joint venture and associates</th>
</tr>
</thead>
<tbody>
<tr>
<td>674,209</td>
<td>106,452</td>
<td>2,958,027</td>
<td>-</td>
<td>4,880,187</td>
</tr>
<tr>
<td>519,003</td>
<td>34,113</td>
<td>-</td>
<td>636,404</td>
<td>-</td>
</tr>
<tr>
<td>66,691</td>
<td>471,406</td>
<td>-</td>
<td>-</td>
<td>178,229</td>
</tr>
<tr>
<td>14,328</td>
<td>2,124</td>
<td>163,994</td>
<td>-</td>
<td>109,943</td>
</tr>
<tr>
<td>300,010</td>
<td>-</td>
<td>362,928</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>17,920</td>
<td>-</td>
<td>622,334</td>
<td>-</td>
<td>479,556</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>573,261</td>
</tr>
<tr>
<td>228,925</td>
<td>586,364</td>
<td>20,366</td>
<td>-</td>
<td>1,667,831</td>
</tr>
<tr>
<td>392,065</td>
<td>7,550</td>
<td>157,109</td>
<td>-</td>
<td>281,548</td>
</tr>
<tr>
<td>3,050</td>
<td>24,793</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>164,238</td>
<td>62,422</td>
<td>103,044</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>53,700</td>
<td>92,730</td>
<td>3,715,550</td>
<td>945,000</td>
<td>29,132,800</td>
</tr>
</tbody>
</table>

---

**Balance Sheet**

- **Deposits**: Rs. 674,209
- **Borrowings**: Rs. -
- **Investments**: Rs. 519,003
- **Markup / Other Receivable**: Rs. 66,691
- **Mark-up / Other Payable**: Rs. 14,328
- **Placements / Lendings**: Rs. 300,010
- **Overdrawn Nostro**: Rs. 17,920
- **Impairment provision**: Rs. -

**Profit and Loss**

- **Interest / Other Income**: Rs. 228,925
- **Interest / Other Expense**: Rs. 392,065
- **Dividend income**: Rs. 3,050
- **Other contingencies**: Rs. 164,238
- **Securities Held as custodian**: Rs. 53,700

**Others**

- **Managerial remuneration (including allowances)**: Rs. 328,276
- **Contribution to provident and benevolent fund**: Rs. 5,388
- **Medical**: Rs. 8,941

**For the three months ended March 31,**

<table>
<thead>
<tr>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 31</td>
<td>March 31</td>
</tr>
<tr>
<td>(Rupees in '000)</td>
<td>(Rupees in '000)</td>
</tr>
<tr>
<td>Managerial remuneration (including allowances)</td>
<td>328,276</td>
</tr>
<tr>
<td>Contribution to provident and benevolent fund</td>
<td>5,388</td>
</tr>
<tr>
<td>Medical</td>
<td>8,941</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>342,605</strong></td>
</tr>
<tr>
<td><strong>Number of persons</strong></td>
<td>161</td>
</tr>
</tbody>
</table>

---

17.1 **Key management personnel**

Key Management Personnel comprises members of Management Committee, Regional Management, Country Managers and Senior Executives:
<table>
<thead>
<tr>
<th>Segment Details with Respect to Business Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the three months ended March 31, 2012</td>
</tr>
<tr>
<td>Retail banking</td>
</tr>
<tr>
<td>Net interest income - External</td>
</tr>
<tr>
<td>Inter segment revenue - net</td>
</tr>
<tr>
<td>Non-funded income</td>
</tr>
<tr>
<td>Net interest and non-markup income</td>
</tr>
<tr>
<td>Total expenses including provision (excluding impairment)</td>
</tr>
<tr>
<td>Impairment against investments</td>
</tr>
<tr>
<td>Inter segment administrative cost</td>
</tr>
<tr>
<td>Total expenses including provision</td>
</tr>
<tr>
<td>Net income before tax</td>
</tr>
<tr>
<td>Segment assets gross</td>
</tr>
<tr>
<td>Segment non-performing loans</td>
</tr>
<tr>
<td>Segment provision required including general provision</td>
</tr>
<tr>
<td>Segment liabilities including equity</td>
</tr>
<tr>
<td>Segment gross earnings on liability / asset %</td>
</tr>
<tr>
<td>Segment cost of funds %</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>For the three months ended March 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail banking</td>
</tr>
<tr>
<td>Net interest income - External</td>
</tr>
<tr>
<td>Inter segment revenue - net</td>
</tr>
<tr>
<td>Non-funded income</td>
</tr>
<tr>
<td>Net interest and non-markup income</td>
</tr>
<tr>
<td>Total expenses including provision (excluding impairment)</td>
</tr>
<tr>
<td>Impairment against investments</td>
</tr>
<tr>
<td>Inter segment administrative cost</td>
</tr>
<tr>
<td>Total expenses including provision</td>
</tr>
<tr>
<td>Net income before tax</td>
</tr>
<tr>
<td>Segment assets gross</td>
</tr>
<tr>
<td>Segment non-performing loans</td>
</tr>
<tr>
<td>Segment provision required including general provision</td>
</tr>
<tr>
<td>Segment liabilities including equity</td>
</tr>
<tr>
<td>Segment gross earnings on liability / asset %</td>
</tr>
<tr>
<td>Segment cost of funds %</td>
</tr>
</tbody>
</table>
Financial figures of the Islamic Banking Branch and First Habib Bank Modaraba are as follows:

<table>
<thead>
<tr>
<th>Note</th>
<th>March 31, 2012 (Rupees in '000)</th>
<th>December 31, 2011 (Rupees in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cash and balances with treasury banks</td>
<td>747,095</td>
</tr>
<tr>
<td></td>
<td>Balances with other banks</td>
<td>15,380</td>
</tr>
<tr>
<td></td>
<td>Lendings to financial institutions</td>
<td>1,800,000</td>
</tr>
<tr>
<td></td>
<td>Investments - net</td>
<td>12,608,895</td>
</tr>
<tr>
<td></td>
<td>Murabaha 19.1</td>
<td>269,221</td>
</tr>
<tr>
<td></td>
<td>Ijarah 19.2</td>
<td>843,561</td>
</tr>
<tr>
<td></td>
<td>Musharaka</td>
<td>3,123</td>
</tr>
<tr>
<td></td>
<td>Other assets</td>
<td>1,101,698</td>
</tr>
<tr>
<td></td>
<td>Operating fixed assets</td>
<td>575</td>
</tr>
<tr>
<td></td>
<td><strong>Total Assets</strong></td>
<td>17,420,548</td>
</tr>
</tbody>
</table>

|      | Bills payable | 2,423 | 43 |
|      | Borrowings from financial institutions | 400,000 | 2,000,000 |
|      | Deposit and other accounts | 15,351,756 | 11,944,594 |
|      | Other liabilities | 464,772 | 625,437 |
|      | **Total Liabilities** | 16,218,951 | 14,570,074 |
|      | **Net Assets** | 1,201,597 | 1,168,852 |

**Represented by:**

- Islamic banking fund / certificate capital | 647,072 | 647,072 |
- Reserves | 227,694 | 222,963 |
- Unappropriated profit | 418,924 | 352,687 |
- **Total** | 1,293,690 | 1,222,722 |

**Deficit on revaluation of assets - net of tax** (92,093) (53,870)

**Total** | 1,201,597 | 1,168,852 |

The commitment in respect of letters of credit of Islamic Banking Branch of Habib Bank Limited amounted to Rs. 240.890 million (2011 Rs. 69.376 million).

19.1 This represents assets sold under Murabaha agreement.

19.2 This represents fixed assets given to customers under Ijarah agreement.

20. **DATE OF AUTHORISATION FOR ISSUE**

These condensed interim consolidated financial statements were authorised for issue in the Board of Directors meeting held on April 24, 2012.