

HABIB BANK LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2013

	(Unaudited) September 30, 2013 (Rupees in '000)	(Audited) December 31, 2012
ASSETS		
Cash and balances with treasury banks	120,380,005	157,229,517
Balances with other banks	48,838,569	47,980,032
Lendings to financial institutions	16,699,750	24,828,255
Investments	6 760,184,003	797,094,548
Advances	7 496,250,625	499,817,906
Operating fixed assets	8 25,127,613	23,632,324
Deferred tax asset	7,020,466	6,056,483
Other assets	62,584,891	53,669,507
	<u>1,537,085,922</u>	<u>1,610,308,572</u>
LIABILITIES		
Bills payable	21,654,572	18,943,207
Borrowings	9 59,555,666	196,580,548
Deposits and other accounts	10 1,267,885,323	1,214,963,700
Sub-ordinated loans	11 3,977,359	5,440,654
Liabilities against assets subject to finance lease	-	-
Deferred tax liability	-	-
Other liabilities	45,083,911	41,342,703
	<u>1,398,156,831</u>	<u>1,477,270,812</u>
NET ASSETS	<u>138,929,091</u>	<u>133,037,760</u>
REPRESENTED BY:		
Shareholders' equity		
Share capital	13,335,023	12,122,748
Reserves	42,908,772	39,379,354
Unappropriated profit	71,167,445	67,523,215
Total equity attributable to the equity holders of the Bank	127,411,240	119,025,317
Non-controlling interest	1,965,028	1,227,207
Surplus on revaluation of assets - net of deferred tax	12 9,552,823	12,785,236
	<u>138,929,091</u>	<u>133,037,760</u>
CONTINGENCIES AND COMMITMENTS	13	

The annexed notes 1 to 20 form an integral part of these 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 NINE MONTHS ENDED SEPTEMBER 30, 2013

	Note	January 01 to September 30, 2013	January 01 to September 30, 2012	July 01 to September 30, 2013	July 01 to September 30, 2012
----- (Rupees in '000) -----					
Mark-up / return / profit / interest earned	14	91,111,239	84,614,861	29,551,091	30,050,393
Mark-up / return / profit / interest expensed	15	50,694,753	41,008,062	15,376,419	15,555,033
Net mark-up / profit / interest income		40,416,486	43,606,799	14,174,672	14,495,360
Provision against non-performing loans and advances - net	7.2 / 7.4	1,172,318	4,183,474	(49,090)	1,404,223
Charge / (reversal) against off-balance sheet obligations		33,203	(34,014)	5,618	58,349
Reversal against diminution in the value of investments - net	6.4	(146,415)	(537,918)	(94,277)	(39,556)
Bad debts written off directly		-	-	-	-
		1,059,106	3,611,542	(137,749)	1,423,016
Net mark-up / profit / interest income after provisions		39,357,380	39,995,257	14,312,421	13,072,344
Non mark-up / interest income					
Fee, commission and brokerage income		5,746,991	4,694,206	1,865,944	1,553,869
Dividend income		595,420	305,717	360,395	102,365
Share of profit of associates and joint venture		1,177,272	1,143,517	285,057	348,171
Income from dealing in foreign currencies		1,290,959	2,142,220	822,806	535,405
Gain on sale of securities		1,588,076	753,011	750,258	343,483
Unrealized (loss) / gain on held for trading securities		(14,135)	7,318	(85,279)	(12,994)
Other income		2,469,252	2,471,064	829,444	857,887
Total non-mark-up / interest income		12,853,835	11,517,053	4,828,625	3,728,186
		52,211,215	51,512,310	19,141,046	16,800,530
Non mark-up / interest expense					
Administrative expenses		26,751,787	22,848,651	9,735,542	7,707,011
Other provisions / write offs - net		(126,181)	26,195	17,701	(7,085)
Other charges		17,079	13,178	570	11,686
Workers welfare fund		502,353	544,811	189,920	170,062
Total non mark-up / interest expenses		27,145,038	23,432,835	9,943,733	7,881,674
Profit before taxation		25,066,177	28,079,475	9,197,313	8,918,856
Taxation					
current		7,494,039	9,922,427	2,619,641	3,165,864
prior		(14,157)	1,153,182	(15,414)	397,797
deferred		868,618	(397,947)	395,908	(188,101)
		8,348,500	10,677,662	3,000,135	3,375,560
Profit after taxation		16,717,677	17,401,813	6,197,178	5,543,296
Attributable to:					
Equity holders of the Bank		16,573,700	17,225,093	6,196,937	5,494,432
Non-controlling interest		17,884	69,425	(25,220)	20,462
Minority investor of HBL funds		126,093	107,295	25,461	28,402
		16,717,677	17,401,813	6,197,178	5,543,296
----- (Rupees) -----					
Basic and diluted earnings per share		12.43	12.92	4.65	4.12

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

President and Chief Executive Officer

Director

Director

Director

HABIB BANK LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

	January 01 to September 30, 2013	January 01 to September 30, 2012	July 01 to September 30, 2013	July 01 to September 30, 2012
	----- (Rupees in '000) -----			
Profit for the period	16,717,677	17,401,813	6,197,178	5,543,296
Other comprehensive income / (loss)				
Minority share of HBL funds transferred to other liabilities	(126,093)	(107,295)	(25,461)	(28,402)
Items to be reclassified to profit or loss in subsequent periods:				
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates	2,068,503	2,564,997	2,899,701	648,628
Comprehensive income transferred to equity	<u>18,660,087</u>	<u>19,859,515</u>	<u>9,071,418</u>	<u>6,163,522</u>
Components of comprehensive income not reflected in equity				
Items to be reclassified to profit or loss in subsequent periods:				
(Deficit) / surplus on revaluation of investments	(5,015,565)	4,782,310	(4,756,043)	4,723,072
Deferred tax on revaluation of investments	1,751,426	(1,563,883)	1,548,575	(1,604,245)
Items not to be reclassified to profit or loss in subsequent periods:				
Surplus on revaluation of fixed assets	74,835	-	-	-
Deferred tax on revaluation of fixed assets	(1,552)	-	-	-
	<u>15,469,231</u>	<u>23,077,942</u>	<u>5,863,950</u>	<u>9,282,349</u>
Total comprehensive income attributable to:				
Equity holders of the Bank	15,459,982	22,867,110	5,900,231	9,201,227
Non-controlling interest	(7,048)	167,759	4,147	54,429
Minority investor	16,297	43,073	(40,428)	26,693
	<u>15,469,231</u>	<u>23,077,942</u>	<u>5,863,950</u>	<u>9,282,349</u>

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

President and Chief Executive Officer

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HABIB BANK LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

	Attributable to shareholders of the Group						Non-controlling interest	Total	
	Share capital	Exchange translation reserve	Reserves			Subtotal			
			Statutory reserves	Revenue reserves					
		Joint venture and subsidiaries	Bank	General	Unappropriated profit				
(Rupees in '000)									
Balance as at December 31, 2011	11,020,680	9,887,221	300,424	15,884,298	6,073,812	56,980,697	100,147,132	1,236,290	101,383,422
Total comprehensive income for the period									
Profit for the nine months ended September 30, 2012	-	-	-	-	-	17,332,388	17,332,388	69,425	17,401,813
Minority share of HBL funds transferred to other liabilities	-	-	-	-	-	(107,295)	(107,295)	-	(107,295)
- Other comprehensive income									
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates	-	2,494,160	-	-	-	-	2,494,160	70,837	2,564,997
	-	2,494,160	-	-	-	17,225,093	19,719,253	140,262	19,859,515
Transactions with owners, recorded directly in equity									
Final Cash dividend paid at Rs. 4 per share for the year ended December 31, 2011	-	-	-	-	-	(4,408,272)	(4,408,272)	-	(4,408,272)
Half year interim cash dividend paid at Rs. 3.5 per share	-	-	-	-	-	(4,242,962)	(4,242,962)	-	(4,242,962)
Cash dividend at Rs. 1.475 per certificate by modaraba issued as bonus shares	1,102,068	-	-	-	-	(1,102,068)	-	(52,713)	(52,713)
	1,102,068	-	-	-	-	(9,753,302)	(8,651,234)	(52,713)	(8,703,947)
Transferred from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	248,307	248,307	-	248,307
Transferred to statutory reserves	-	-	44,103	1,592,741	-	(1,636,844)	-	-	-
Minority share of surplus on revaluation of securities	-	-	-	-	-	-	-	27,458	27,458
Balance as at September 30, 2012	12,122,748	12,381,381	344,527	17,477,039	6,073,812	63,063,951	111,463,458	1,351,297	112,814,755
Total comprehensive income for the period									
Profit for the three months ended December 31, 2012	-	-	-	-	-	5,079,526	5,079,526	(125,599)	4,953,927
Minority share of HBL funds transferred to other liabilities	-	-	-	-	-	(48,555)	(48,555)	-	(48,555)
- Other comprehensive income									
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates	-	2,530,439	-	-	-	-	2,530,439	7,449	2,537,888
	-	2,530,439	-	-	-	5,030,971	7,561,410	(118,150)	7,443,260
Transactions with owners, recorded directly in equity									
Transferred from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	449	449	-	449
Transferred to statutory reserves	-	-	8,480	563,676	-	(572,156)	-	-	-
Minority share of surplus on revaluation of securities of subsidiaries	-	-	-	-	-	-	-	(5,940)	(5,940)
Balance as at December 31, 2012	12,122,748	14,911,820	353,007	18,040,715	6,073,812	67,523,215	119,025,317	1,227,207	120,252,524
Total comprehensive income for the period									
Profit for the nine months ended September 30, 2013	-	-	-	-	-	16,699,793	16,699,793	17,884	16,717,677
Minority share of HBL funds transferred to other liabilities	-	-	-	-	-	(126,093)	(126,093)	-	(126,093)
- Other comprehensive income									
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates	-	1,953,774	-	-	-	-	1,953,774	114,729	2,068,503
	-	1,953,774	-	-	-	16,573,700	18,527,474	132,613	18,660,087
Transactions with owners, recorded directly in equity									
Final Cash dividend paid at Rs. 4 per share for the year ended December 31, 2012	-	-	-	-	-	(4,849,099)	(4,849,099)	-	(4,849,099)
Half year interim cash dividend paid at Rs. 4 per share	-	-	-	-	-	(5,334,009)	(5,334,009)	-	(5,334,009)
Issued as bonus shares	1,212,275	-	-	-	-	(1,212,275)	-	-	-
Cash dividend at Rs. 1.475 per certificate by modaraba	1,212,275	-	-	-	-	(11,395,383)	(10,183,108)	(52,713)	(10,235,821)
Transferred from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	41,557	41,557	-	41,557
Transferred to statutory reserves	-	-	26,058	1,549,586	-	(1,575,644)	-	-	-
Non-controlling interest acquired in HAIB during the period									
Minority share of surplus on revaluation of securities of subsidiaries	-	-	-	-	-	-	-	664,235	664,235
	-	-	-	-	-	-	-	(6,314)	(6,314)
Balance as at September 30, 2013	13,335,023	16,865,594	379,065	19,590,301	6,073,812	71,167,445	127,411,240	1,965,028	129,376,268

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

President and Chief Executive Officer

Director

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HABIB BANK LIMITED
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

	September 30, 2013	September 30, 2012
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	25,066,177	28,079,475
Dividend income and share of profit of associates and joint venture	(1,772,692)	(1,449,234)
Gain on sale of securities	(1,588,076)	(753,011)
	<u>(3,360,768)</u>	<u>(2,202,245)</u>
	21,705,409	25,877,230
Adjustment for:		
Depreciation	1,179,600	1,124,223
Amortisation	128,360	55,244
Reversal against diminution in the value of investments	(146,415)	(537,918)
Provision against non-performing loans and advances	1,172,318	4,183,474
Unrealised loss / (gain) on held for trading securities	14,135	(7,318)
Exchange loss on sub-ordinated loans / Goodwill	182,732	106,386
Gain on sale of operating fixed assets - net	(29,839)	(8,327)
Loss on sale of non-banking asset	1,523	-
Miscellaneous provisions	(92,978)	(7,819)
	<u>2,409,436</u>	<u>4,907,945</u>
	24,114,845	30,785,175
Decrease / (increase) in operating assets		
Lendings to financial institutions	8,128,505	26,828,766
Investments - held for trading	21,935,313	(26,505,901)
Advances	2,394,963	(25,824,823)
Other assets	(5,502,696)	(5,886,117)
	<u>26,956,085</u>	<u>(31,388,075)</u>
(Decrease) / increase in operating liabilities		
Bills payable	2,711,365	1,138,258
Borrowings	(137,024,882)	60,482,958
Deposits and other accounts	52,921,623	168,495,519
Other liabilities	3,722,550	3,829,567
	<u>(77,669,344)</u>	<u>233,946,302</u>
	(26,598,414)	233,343,402
Income tax paid - net	(10,736,206)	(10,091,512)
Net cash flows from operating activities	<u>(37,334,620)</u>	<u>223,251,890</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments	12,857,295	(183,877,047)
Dividend income received	442,487	211,878
Fixed capital expenditure	(2,573,116)	(2,739,978)
Proceeds from sale of fixed assets	57,427	222,388
Proceeds from sale of non-banking asset	38,500	-
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates	1,953,774	2,494,160
Net cash flows from / (used in) investing activities	<u>12,776,367</u>	<u>(183,688,599)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Exchange adjustment on translation of non-controlling interest in subsidiary	114,729	70,837
Repayment of subordinated loan	(1,828,913)	-
Dividend paid	(9,718,538)	(8,434,871)
Net cash flows used in financing activities	<u>(11,432,722)</u>	<u>(8,364,034)</u>
(Decrease) / increase in cash and cash equivalents during the period	(35,990,975)	31,199,257
Cash and cash equivalents at beginning of the period	196,715,562	143,162,176
Effects of exchange rate changes on cash and cash equivalents	8,493,987	7,586,952
	<u>205,209,549</u>	<u>150,749,128</u>
Cash and cash equivalents at end of the period	<u>169,218,574</u>	<u>181,948,385</u>

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

President and Chief Executive Officer

Director

Director

Director

HABIB BANK LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

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 at Habib Bank Tower, 4th Floor, Jinnah Avenue, Islamabad and Principal office is at Habib Bank Plaza, I.I.Chundrigar Road, Karachi. The Bank's shares are listed on all three 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, 2012.

2 STATEMENT OF COMPLIANCE

These condensed interim consolidated 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 (IAS) 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, 2012.

3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2012.

ACCOUNTING FOR EMPLOYEE BENEFITS - IAS19

The revised International Accounting Standard (IAS) 19 'Employee Benefits' amends the accounting treatment for the defined benefit obligations mainly in respect of actuarial gains and losses that are now required to be recognized in Other Comprehensive Income (OCI) and permanently excluded from the profit and loss account. Further, the un-vested past service cost is now required to be recognized immediately in the profit and loss account at the earlier of when amendment occurs or when the related restructuring cost are recognized.

The Group considers that the financial impacts due to the above referred changes in the revised IAS 19 are not material in context to the consolidated condensed interim financial statements for the period ended 30 September 2013.

Further, due to the revised IAS 19, the effect on the tax position with respect to the allowability of the actuarial losses / gains reported in the Statement of Comprehensive is under review. Hence impacts of any related restatements have not been incorporated in these consolidated condensed interim financial statements.

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, 2012.

5 FINANCIAL RISK MANAGEMENT

The Financial risk management objectives and policies adopted by Group are consistent with that disclosed in the annual consolidated financial statements of the Group for the year ended December 31, 2012.

6. INVESTMENTS

Investments by type	Note	September 30, 2013			December 31, 2012		
		Held by Group	Given as collateral	Total	Held by Group	Given as collateral	Total
----- (Rupees in '000) -----							
Held-for-trading (HFT)							
Federal Government Securities							
- Pakistan Investment Bonds		-	-	-	2,203,724	-	2,203,724
- Market Treasury Bills		9,454,102	-	9,454,102	28,676,723	-	28,676,723
Fully paid-up ordinary shares							
- Listed companies		-	-	-	31,195	-	31,195
Overseas Government Securities							
		332,494	-	332,494	348,908	-	348,908
Investments of Mutual Funds							
		386,127	-	386,127	847,486	-	847,486
		10,172,723	-	10,172,723	32,108,036	-	32,108,036
Held-to-Maturity Securities (HTM)							
Federal Government Securities							
- Pakistan Investment Bonds		37,959,962	-	37,959,962	43,323,255	-	43,323,255
- Government of Pakistan Bonds / Sukuk / (US Dollar / Euro)		861,988	-	861,988	764,005	-	764,005
Debentures and Corporate Debt Instruments / Units							
- Listed securities		-	-	-	210,064	-	210,064
- Unlisted securities		21,740,294	-	21,740,294	21,272,413	-	21,272,413
Overseas Government securities							
		19,279,521	-	19,279,521	16,522,872	-	16,522,872
		79,841,765	-	79,841,765	82,092,609	-	82,092,609
Available-for-Sale Securities (AFS)							
Federal Government Securities							
- Market Treasury Bills		521,386,286	16,626,357	538,012,643	405,856,222	157,998,809	563,855,031
- Pakistan Investment Bonds		47,189,970	-	47,189,970	46,136,502	-	46,136,502
- Government of Pakistan Guaranteed Bonds		425,000	-	425,000	425,000	-	425,000
- Government of Pakistan Bonds / Sukuk / (US Dollar / Euro)		30,561,493	-	30,561,493	31,649,959	-	31,649,959
Overseas Government Securities							
		6,097,815	-	6,097,815	2,482,359	-	2,482,359
Fully paid-up ordinary shares							
- Listed companies		3,655,093	-	3,655,093	4,232,888	-	4,232,888
- Unlisted companies		715,635	-	715,635	769,510	-	769,510
Debentures and Corporate Debt Instruments / Units							
- Listed securities		15,623,049	-	15,623,049	11,446,544	-	11,446,544
- Unlisted securities		16,032,996	-	16,032,996	7,572,714	-	7,572,714
NIT Units							
		11,113	-	11,113	11,113	-	11,113
Preference shares							
		250,000	-	250,000	100,000	-	100,000
Investments of mutual funds							
		4,321,646	-	4,321,646	3,031,747	-	3,031,747
		646,270,096	16,626,357	662,896,453	513,714,558	157,998,809	671,713,367
Investment in Associates and Joint Venture							
	6.3	9,353,972	-	9,353,972	8,352,908	-	8,352,908
		745,638,556	16,626,357	762,264,913	636,268,111	157,998,809	794,266,920
Provision for diminution / impairment in the value of investments including associates							
	6.4	(1,609,103)	-	(1,609,103)	(1,755,518)	-	(1,755,518)
Net investment							
		744,029,453	16,626,357	760,655,810	634,512,593	157,998,809	792,511,402
(Deficit) / surplus on revaluation of held for trading securities							
		(14,135)	-	(14,135)	25,253	-	25,253
(Deficit) / surplus on revaluation of available for sale securities							
	12.2	(539,875)	17,623	(522,252)	4,477,925	-	4,477,925
Surplus on revaluation of investment of associates							
		64,580	-	64,580	79,968	-	79,968
Total investments at market value							
		743,540,023	16,643,980	760,184,003	639,095,739	157,998,809	797,094,548

6.1 The market value of securities classified as "held-to-maturity" as at September 30, 2013 amounted to Rs. 80,563.174 million (2012: Rs. 84,153.250 million).

6.2 The Bank's subsidiary, Habib Allied International Bank Plc, UK has issued 750,000 new ordinary shares to the minority investor and consequently, the shareholding of the Bank is diluted to 88.07% from 90.5% .

6.3 The Group has made further investment in the following associates during the period, consequently, shareholding has increased to:

	September 30, 2013	December 31, 2012
	Shareholding %	
Jubilee General Insurance Company Limited, Pakistan	17.20%	16.24%
Diamond Trust Bank Limited, Kenya	11.91%	11.68%
HBL Money Market Fund	3.23%	3.18%

6.4 Particulars of provision held against diminution in value of investments

The analysis of total provision held is as follows:

	September 30, 2013	December 31, 2012
	(Rupees in '000)	
Opening balance	1,755,518	2,364,383
Charge for the period / year	13,028	78,441
Reversals	(15,507)	(235,367)
Impairment charge on listed securities	59,036	130,434
Impairment reversal on listed securities	(202,972)	(457,373)
Total reversals - net	(146,415)	(483,865)
Amount written off	-	(125,000)
Closing balance	<u>1,609,103</u>	<u>1,755,518</u>

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

	Based on the financial information as on
Diamond Trust Bank Limited, Kenya	June 30, 2013
Himalayan Bank Limited, Nepal	June 30, 2013
Kyrgyz Investment and Credit Bank	September 30, 2013
Jubilee Life Insurance Co. Ltd.	June 30, 2013
Jubilee General Insurance Co. Ltd.	June 30, 2013
HBL Money Market Fund	September 30, 2013
HBL Islamic Stock Fund	September 30, 2013
HBL Islamic Money Market Fund	September 30, 2013
HBL Pension Equity Sub Fund	September 30, 2013
HBL Pension Debt Sub Fund	September 30, 2013
HBL Pension Money Market Sub Fund	September 30, 2013
HBL Islamic Pension Equity Sub Fund	September 30, 2013
HBL Islamic Pension Debt Sub Fund	September 30, 2013
HBL Islamic Pension Money Market Sub Fund	September 30, 2013

7 ADVANCES

	Note	September 30, 2013	December 31, 2012
		(Rupees in '000)	
Loans, cash credits, running finances, etc.			
In Pakistan		358,168,543	386,290,218
Outside Pakistan		116,366,246	98,673,662
		<u>474,534,789</u>	<u>484,963,880</u>
Net investment in finance lease - in Pakistan		5,912,559	4,729,126
Bills discounted and purchased (excluding Government treasury bills)			
Payable in Pakistan		10,852,666	12,122,572
Payable outside Pakistan		52,458,355	43,972,534
		63,311,021	56,095,106
Provision against non-performing advances	7.2	<u>(47,507,744)</u>	<u>(45,970,206)</u>
		<u>496,250,625</u>	<u>499,817,906</u>
Fully provided non-performing advances classified as loss for more than five years			
In Pakistan		18,869,374	18,622,245
Provision	7.4	<u>(18,869,374)</u>	<u>(18,622,245)</u>
		<u>-</u>	<u>-</u>

- 7.1 Advances include Rs. 60,992.526 million (2012: Rs. 59,620.735 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.

Category of classification	September 30, 2013								
	Non-performing advances			Provision required and held			Net non-performing advances		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
Specific provision									
Other assets especially mentioned	1,139,071	-	1,139,071	-	-	-	1,139,071	-	1,139,071
Substandard	5,728,482	1,243,697	6,972,179	1,403,734	278,344	1,682,078	4,324,748	965,353	5,290,101
Doubtful	2,671,482	866,752	3,538,234	1,307,129	355,082	1,662,211	1,364,353	511,670	1,876,023
Loss	30,366,538	18,976,504	49,343,042	28,827,231	12,809,609	41,636,840	1,539,307	6,166,895	7,706,202
	39,905,573	21,086,953	60,992,526	31,538,094	13,443,035	44,981,129	8,367,479	7,643,918	16,011,397
General provision	-	-	-	1,660,420	866,195	2,526,615	-	-	-
	39,905,573	21,086,953	60,992,526	33,198,514	14,309,230	47,507,744	8,367,479	7,643,918	16,011,397

Category of classification	December 31, 2012								
	Non-performing advances			Provision required and held			Net non-performing advances		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
Specific provision									
Other assets especially mentioned	626,140	-	626,140	-	-	-	626,140	-	626,140
Substandard	5,609,462	3,771,528	9,380,990	1,360,027	1,112,015	2,472,042	4,249,435	2,659,513	6,908,948
Doubtful	4,333,278	1,899,356	6,232,634	2,110,217	1,220,517	3,330,734	2,223,061	678,839	2,901,900
Loss	30,200,379	13,180,592	43,380,971	28,267,188	9,664,547	37,931,735	1,933,191	3,516,045	5,449,236
	40,769,259	18,851,476	59,620,735	31,737,432	11,997,079	43,734,511	9,031,827	6,854,397	15,886,224
General provision	-	-	-	1,532,092	703,603	2,235,695	-	-	-
	40,769,259	18,851,476	59,620,735	33,269,524	12,700,682	45,970,206	9,031,827	6,854,397	15,886,224

7.2 Particulars of provision against non-performing advances

Note	September 30, 2013			December 31, 2012		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	43,734,511	2,235,695	45,970,206	44,307,124	1,778,924	46,086,048
Exchange adjustment / other movement	1,053,162	32,170	1,085,332	362,172	59,245	421,417
Charge for the period / year	3,807,707	283,663	4,091,370	13,236,984	493,156	13,730,140
Reversals	(2,404,415)	(24,913)	(2,429,328)	(5,467,801)	(95,630)	(5,563,431)
	1,403,292	258,750	1,662,042	7,769,183	397,526	8,166,709
Write offs	(305,909)	-	(305,909)	(2,710,584)	-	(2,710,584)
Transferred to over 5 years category	(903,927)	-	(903,927)	(5,993,384)	-	(5,993,384)
Closing balance	44,981,129	2,526,615	47,507,744	43,734,511	2,235,695	45,970,206

- 7.3 In accordance with BSD Circular No. 2 dated January 27, 2009 and BSD Circular No.10 dated October 20, 2009 issued by SBP, 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 September 30, 2013 would have been higher by Rs. 1,356.95 million and profit before taxation for the period ended September 30, 2013 would have been lower by approximately Rs 350.64 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. 882.016 million would not be available for the distribution of cash and stock dividend to share holders.

7.4 Particulars of provision against fully provided non-performing advances classified as loss for more than five years

Note	September 30, 2013	December 31, 2012
	(Rupees in '000)	
Opening balance	18,622,245	13,640,851
Transferred to interest suspense	-	(18,617)
Reversal	(489,724)	(922,822)
Transferred during the period / year	903,927	5,993,384
Write offs	(167,074)	(70,551)
	18,869,374	18,622,245

- 7.5 During the previous year, the Bank entered into contract with Citi Bank N.A., Pakistan to acquire its consumer portfolio. The transaction was approved by the Competition Commission of Pakistan and during the period, the Bank also obtained approval from SBP. Pursuant to such acquisition of portfolio, the Bank's gross advances increased by Rs. 1,552.059 million as at September 30, 2013.

7.6 Particulars of advances to directors, associated companies, etc.

	September 30, 2013			December 31, 2012		
	Balance outstanding	Maximum total amount of advances including temporary advances outstanding **	Limit sanctioned during the period	Balance outstanding	Maximum total amount of advances including temporary advances outstanding **	Limit sanctioned during the year
------(Rupees in '000)-----						
Debts due by directors or executives of the Group or any of them either severally or jointly with any other persons:						
- in respect of executives * (Other than KMPs)	1,775,100	1,819,300	353,464	1,516,400	1,549,100	443,704
- in respect of key management personnel / Companies in which key management personnel or their close members are interested	359,100	382,200	23,444	371,200	382,000	64,257
Debts due by companies or firms in which the directors of the Group are interested as directors, partners, advisors or in the case of private companies as members	726,586	2,216,088	-	792,234	1,284,393	100,000

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.

* (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	Note	September 30,	December 31,
		2013	2012
(Rupees in '000)			
Capital work-in-progress		1,213,835	1,713,276
Intangible assets			
- Goodwill	8.3	2,149,901	1,967,015
- Computer software		667,632	241,848
Tangible fixed assets		21,096,245	19,710,185
		<u>25,127,613</u>	<u>23,632,324</u>

8.1 Additions to fixed assets	For the nine months ended	
	September 30,	September 30,
(Rupees in '000)		
	2013	2012

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

Capital work-in-progress	1,269,932	696,978
Intangible assets	553,334	107,945
Tangible fixed assets		
Land	236,542	337,815
Building including related machinery	731,565	610,344
Furniture, fixtures and office equipments	1,556,611	966,942
Vehicles	68,526	19,954
	<u>4,416,510</u>	<u>2,739,978</u>

8.2 Disposal of fixed assets

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

Tangible fixed assets		
Land	10,396	156,864
Building including related machinery	6,801	72,775
Furniture, fixtures and office equipments	354,284	282,565
Vehicles	27,241	27,689
	<u>398,722</u>	<u>539,893</u>

8.3 It represents the difference between fair values of identifiable assets and liabilities and purchase consideration paid in cash by the Group for acquisition of Habibsons Bank Limited in 2011.

9 **BORROWINGS**

	September 30, 2013	December 31, 2012
	(Rupees in '000)	
Secured		
Borrowings from State Bank of Pakistan under:		
Export refinance scheme	12,666,302	16,845,030
Long term financing facility - locally manufactured and imported plant & machinery	5,371,617	5,074,278
Long term finance - export oriented projects	589,316	974,062
Refinance facility for modernization of SMEs	11,608	12,649
Financing facility for Storage of Agricultural Produce	10,696	15,277
Repurchase agreement borrowings	16,613,359	157,998,809
	<u>35,262,898</u>	<u>180,920,105</u>
Unsecured		
In Pakistan:		
Interbank call money borrowings	8,335,000	1,500,000
Outside Pakistan:		
Overdrawn nostro accounts	780,712	1,056,635
Borrowings of overseas branches and subsidiaries	15,177,056	13,103,808
	<u>15,957,768</u>	<u>14,160,443</u>
	<u>24,292,768</u>	<u>15,660,443</u>
	<u>59,555,666</u>	<u>196,580,548</u>

10 **DEPOSITS AND OTHER ACCOUNTS**

Customers		
Current accounts - non-remunerative	369,582,869	310,567,157
Savings chequing account	560,605,769	493,206,809
Fixed deposits	<u>324,540,085</u>	<u>391,066,656</u>
	<u>1,254,728,723</u>	<u>1,194,840,622</u>
Financial institutions		
Current accounts - non-remunerative	7,744,224	5,969,114
Savings chequing account	4,438,713	4,490,688
Fixed deposits	973,663	9,663,276
	<u>13,156,600</u>	<u>20,123,078</u>
	<u>1,267,885,323</u>	<u>1,214,963,700</u>

11 **SUB-ORDINATED LOAN**

The Group has obtained loan from "International Finance Corporation" (IFC) amounting to US \$ 50 million. The principal amount is repayable in four equal half yearly instalments from June 2013 to December 2014. Interest is payable on bi - annual basis commencing from December 2007 at LIBOR + 1.75%. The first instalment of US \$ 12.5 million has been paid in June 2013. 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.

12 SURPLUS ON REVALUATION OF ASSETS - net of deferred tax

September 30, December 31,
Note 2013 2012
(Rupees in '000)

Surplus / (deficit) arising on revaluation of:

- fixed assets	12.1	9,620,653	9,588,927
- investments	12.2	(67,830)	3,196,309
Surplus on revaluation of assets - net of deferred tax		9,552,823	12,785,236

12.1 Surplus on revaluation of fixed assets

Surplus on revaluation of fixed assets as at January 1		10,514,994	9,143,739
Surplus on revaluation of bank's properties recognised during the period / year		74,835	1,671,231
Deficit / (surplus) realised on disposal of revalued properties during the period / year		3,136	(155,285)
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year - net of deferred tax		(44,693)	(93,471)
Related deferred tax liability of incremental depreciation charged during the period / year		(24,065)	(50,347)
Related deferred tax asset / (liability) on disposal of revalued properties		24	(873)
Surplus on revaluation of fixed assets as at period / year end		10,524,231	10,514,994

Less: related deferred tax liability on:

- revaluation as at January 1		926,067	801,357
- revaluation of bank's properties recognised during the year		1,552	175,930
- surplus realised on disposal of revalued properties during the year		24	(873)
- incremental depreciation charged during the period / year transferred to profit and loss account		(24,065)	(50,347)
		903,578	926,067
		9,620,653	9,588,927

12.2 Surplus / (deficit) on revaluation of investments

Market Treasury Bills		(708,560)	1,863,369
Pakistan Investment Bonds		(926,296)	1,490,249
Government of Pakistan Sukuk and US Dollar / Euro Bonds		60,025	(103,195)
Listed Securities		1,101,433	800,331
NIT Units		16,698	11,283
Other Investments		(65,552)	415,888
		(522,252)	4,477,925
Surplus on revaluation of investment of associates		64,580	79,968
Related deferred tax asset / (liability)		389,842	(1,361,584)
		(67,830)	3,196,309

13 CONTINGENCIES AND COMMITMENTS

13.1 Direct credit substitutes - financial guarantees

Guarantees in favour of:

- Government		263,053	306,856
- Financial institutions		295,000	295,000
- Others		33,392,994	35,337,468
		33,951,047	35,939,324

13.2 Transaction-related contingent liabilities	September 30, 2013	December 31, 2012
	(Rupees in '000)	
Guarantees in favour of:		
- Government	657,372	535,006
- Financial institutions	1,483,345	3,610,133
- Others	41,077,266	41,118,227
	<u>43,217,983</u>	<u>45,263,366</u>

13.3 Trade-related commitments

Credit cash	71,870,601	78,028,544
Credit documentary acceptances	15,319,230	18,535,338
Credit acceptances	38,572,387	37,882,972
	<u>125,762,218</u>	<u>134,446,854</u>

13.4 Other contingencies

Claims against the Group not acknowledged as debts	<u>34,338,351</u>	<u>33,504,140</u>
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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.

13.6 Commitments in respect of forward foreign and local exchange contracts	September 30, 2013	December 31, 2012
	(Rupees in '000)	

Purchase	225,030,230	167,104,754
Sale	223,853,894	167,168,508

The above commitments have maturities falling within one year.

Commitments in respect of foreign currency options

Purchase	682,599	1,317,948
Sale	682,599	1,317,948

Commitments in respect of cross currency swaps

Purchase	574,799	3,659,009
Sale	574,799	3,659,009

Commitments in respect of foreign and local currency interest rate swaps

Purchase	282,834	444,199
Sale	527,834	291,449

13.7 Commitments for acquisition of fixed assets / intangibles	966,387	663,125
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13.8 Taxation

The income tax returns of the Bank have been submitted upto and including the Bank's financial year 2011. The tax authorities have concluded the audit of years 2002 through 2011.

As per Rule 8(A) of the Seventh Schedule, amounts provided for in tax year 2008 (December 2007) and prior to said tax year for doubtful debts, which were neither claimed nor allowed as tax deductible in any year shall be allowed as deduction in tax year in which such doubtful debts are written off.

With reference to allowability of provision, the management has carried out an exercise 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. 1.629 billion.

14 **MARK-UP / RETURN / PROFIT EARNED**

	For the nine months ended	
	September 30,	September 30,
	2013	2012
	(Rupees in '000)	
<i>On loans and advances to:</i>		
- Customers	35,021,241	39,574,334
- Financial institutions	174,469	411,218
<i>On investments:</i>		
- Available-for-sale	49,001,944	37,472,937
- Held-for-trading	1,205,292	869,001
- Held-to-maturity	3,731,648	3,770,024
On deposits with financial institutions	850,112	933,823
On lendings to financial institutions	1,126,533	1,583,524
	<u>91,111,239</u>	<u>84,614,861</u>

15 **MARK-UP / RETURN / PROFIT EXPENSED**

Deposits	42,916,458	37,010,951
Securities sold under repurchase agreement borrowings	5,894,156	1,756,231
Other short term borrowings	1,527,257	1,925,694
Long term borrowings	356,882	315,186
	<u>50,694,753</u>	<u>41,008,062</u>

Aga Khan Fund for Economic Development (AKFED), 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 on arm's length basis i.e. 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 than those under terms of employment. Details of advances to related parties are given in note 7.6 to these condensed interim consolidated 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:

September 30, 2013						
Individual and companies related through						
Key Management Personnel	Parent Group Entities	Subsidiary companies	Associates	Joint venture	Other related party	
-----Rs. in 000-----						
Statement of financial position						
Deposits	-	2,918,071	-	2,808,423	-	1,469,590
Maximum Deposits During the period	-	4,208,820	-	7,942,206	115,321	3,833,229
Borrowings	-	1,843,409	-	-	-	-
Investments	-	-	-	7,542,220	1,302,789	-
Markup / Other Receivable	-	-	-	95,923	-	-
Mark-up / Other Payable	-	-	-	-	-	185,141
Placements / Lendings	-	1,586,450	-	-	-	-
Overdrawn Nostro	-	632,099	-	373,184	-	-
Impairment provision	-	-	-	573,261	-	-
Profit and Loss						
Interest / Other Income	-	89,255	-	2,068,496	197,898	-
Interest / Other Expense	-	323,343	-	623,482	-	505,573
Others						
Other contingencies	-	282,742	-	-	-	-
Securities Held as custodian	-	7,946,960	1,549,500	30,006,570	-	14,793,640
December 31, 2012						
Individual and companies related through						
Key Management Personnel	Parent Group Entities	Subsidiary companies	Associates	Joint venture	Other related party	
-----Rs. in 000-----						
Statement of financial position						
Deposits	-	3,876,800	-	6,934,694	-	2,961,756
Maximum Deposits During the period	-	3,942,716	-	7,140,124	-	2,963,637
Borrowings	-	1,451,441	-	-	-	-
Investments	-	-	-	7,120,785	1,312,091	-
Markup / Other Receivable	-	32,904	-	220,000	-	-
Mark-up / Other Payable	-	-	-	-	-	1,111,253
Placements / Lendings	-	1,330,363	-	-	-	-
Overdrawn Nostro	-	656,893	-	292,891	-	-
Impairment provision	-	-	-	573,261	-	-
Profit and Loss						
Interest / Other Income	-	221,970	-	2,577,340	362,436	-
Interest / Other Expense	-	324,603	-	683,085	-	170,711
Others						
Other contingencies	-	361,835	-	-	-	127,318
Securities Held as custodian	-	4,808,720	762,000	17,945,000	-	12,378,000

16.1 Key management personnel

Key Management Personnel comprises members of Management Committee, Regional Management, Country Managers and Senior Executives:

	For the nine months ended	
	September 30, 2013	September 30, 2012
	(Rupees in '000)	
Managerial remuneration (including allowances)	1,200,695	1,090,578
Contribution to provident and benevolent fund	18,709	17,259
Medical	37,444	30,099
	<u>1,256,848</u>	<u>1,137,936</u>
Number of persons	171	169

17 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	For the nine months ended September 30, 2013					Total
	Retail banking	Corporate / commercial banking	Treasury	International banking group	Head Office / support services	
	(Rupees in million)					
Net interest income - External	(27,471)	17,918	45,152	4,919	(102)	40,416
Inter segment revenue - net	48,616	(13,572)	(42,269)	-	7,225	-
Non-funded income	5,103	1,888	3,569	3,673	(1,379)	12,854
Net interest and non-markup income	26,248	6,234	6,452	8,592	5,744	53,270
Total expenses including provision (excluding impairment)	11,916	1,395	79	6,716	8,242	28,348
Impairment against investments	-	-	(124)	-	(20)	(144)
Inter segment administrative cost	5,421	1,084	156	597	(7,258)	-
Total expenses including provision	17,337	2,479	111	7,313	964	28,204
Net income before tax	8,911	3,755	6,341	1,279	4,780	25,066
Segment assets gross	129,056	333,302	712,514	306,523	105,131	1,586,526
Segment non-performing loans	8,836	30,858	-	21,087	212	60,993
Segment provision required including general provision	8,112	25,352	185	14,376	1,415	49,440
Segment liabilities including equity	919,115	130,886	28,592	227,708	230,785	1,537,086
Segment gross earnings on liability / asset %	9.29%	9.89%	9.22%	4.83%	3.41%	-
Segment cost of funds %	5.45%	7.52%	8.14%	1.21%	0.96%	-
	For the nine months ended September 30, 2012					Total
	Retail banking	Corporate / commercial banking	Treasury	International banking group	Head Office / support services	
	(Rupees in million)					
Net interest income - External	(23,365)	24,201	38,022	4,653	96	43,607
Inter segment revenue - net	50,510	(19,352)	(36,854)	-	5,696	-
Non-funded income	3,654	1,882	2,108	3,411	462	11,517
Net interest and non-markup income	30,799	6,731	3,276	8,064	6,254	55,124
Total expenses including provision (excluding impairment)	11,258	4,024	160	5,348	6,623	27,413
Impairment against investments	-	-	(140)	-	(228)	(368)
Inter segment administrative cost	4,444	889	128	490	(5,951)	-
Total expenses including provision	15,702	4,913	148	5,838	444	27,045
Net income before tax	15,097	1,818	3,128	2,226	5,810	28,079
Segment assets gross	126,869	364,401	597,775	264,609	85,471	1,439,125
Segment non-performing loans	10,240	33,377	-	17,363	228	61,208
Segment provision required including general provision	7,398	27,503	370	13,094	2,267	50,632
Segment liabilities including equity	832,208	117,655	76,728	175,650	186,251	1,388,492
Segment gross earnings on liability / asset %	11.14%	11.81%	10.72%	5.12%	5.45%	-
Segment cost of funds %	5.70%	9.32%	9.90%	1.46%	0.91%	-

18 **CONSOLIDATED FINANCIAL POSITION OF ISLAMIC BANKING BUSINESS AND FIRST HABIB BANK MODARABA**

The consolidated statement of financial position of the Islamic Banking Business and First Habib Bank Modaraba is as follows:

	Note	September 30, 2013	December 31, 2012
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		1,868,383	1,710,846
Balances with other banks		21,741	412,446
Due from Financial Institutions		3,800,000	5,480,000
Investments - net		25,268,812	22,369,313
Islamic financing and related assets	18.1	7,072,704	3,108,988
Operating Fixed assets		307	516
Due from Head Office		218,976	-
Deferred tax asset		-	34,036
Other assets		1,118,576	782,906
		<u>39,369,499</u>	<u>33,899,051</u>
LIABILITIES			
Bills payable		848	457
Due to Financial Institutions		1,584,076	576,000
Deposit and other accounts		-	-
- Current Accounts		4,421,282	2,697,055
- Savings Accounts		17,540,634	11,417,392
- Term Deposits		9,037,624	7,087,919
- Deposits from financial institutions- remunerative		4,261,571	9,825,657
- Deposits from financial institutions- non -remunerative		37,816	8,360
Due to Head office		-	240,544
Deferred tax liability		7,642	-
Other liabilities		863,461	712,582
		<u>37,754,954</u>	<u>32,565,966</u>
NET ASSETS		<u>1,614,545</u>	<u>1,333,085</u>
REPRESENTED BY:			
Islamic banking fund / certificate capital		647,072	647,072
Reserves		718,536	548,519
Unappropriated profit		234,744	192,915
		<u>1,600,352</u>	<u>1,388,506</u>
Surplus / (deficit) on revaluation of assets - net of deferred tax		14,193	(55,421)
		<u>1,614,545</u>	<u>1,333,085</u>

The commitment in respect of letters of credit of Islamic Banking Branch of Habib Bank Limited amounted to Rs. 78.337 million (2012 Rs. 143.332 million).

18.1 **Islamic financing and related assets**

Murabaha	18.1.1	296,662	420,496
Ijarah	18.1.2	847,633	929,402
Musharaka		1,721,364	1,063,006
Advance for Murabaha		99,426	38,577
Advance for Ijarah		8,226	3,858
Istisna		3,107,501	326,000
Assets/Inventories		991,892	327,649
		<u>7,072,704</u>	<u>3,108,988</u>

18.1.1 This represents assets sold under Murabaha agreement.

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

19. **GENERAL**

The comparative figures have been restated / reclassified for comparison purposes, where necessary.

20. **DATE OF AUTHORISATION FOR ISSUE**

These condensed interim consolidated financial statements were authorised for issue in the Board of Directors meeting held on October 25, 2013.

President and Chief Executive Officer

Director

Director

Director