

HABIBMETRO

HALF YEARLY ACCOUNTS

2020





هَذَا فَضْلُكَ

OUR VISION

To be the most respected financial institution
based on trust, service and commitment



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CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Mohamedali R. Habib

PRESIDENT & CHIEF EXECUTIVE OFFICER

Mohsin A. Nathani

DIRECTORS

Anjum Z. Iqbal

Firasat Ali

Mohomed Bashir

Muhammad H. Habib

Rashid Ahmed Jafer

Tahira Raza

BOARD COMMITTEES

AUDIT

Anjum Z. Iqbal

Rashid Ahmed Jafer

CREDIT

Anjum Z. Iqbal

Mohamedali R. Habib

Mohsin A. Nathani

Muhammad H. Habib

HUMAN RESOURCE & REMUNERATION

Firasat Ali

Mohsin A. Nathani

Tahira Raza

COMPANY SECRETARY

Ather Ali Khan

REGISTERED OFFICE

Ground Floor, Spencer's Building

I I Chundrigar Road

Karachi – 74200, Pakistan

INFORMATION TECHNOLOGY

Anjum Z. Iqbal

Firasat Ali

Mohsin A. Nathani

RISK & COMPLIANCE

Anjum Z. Iqbal

Firasat Ali

Mohsin A. Nathani

Tahira Raza

SHARE REGISTRAR

CDC Share Registrar Services Limited

CDC House, 99-B, Block-B

S.M.C.H.S., Main Shahra-e-Faisal

Karachi - 74400

DIRECTORS' REVIEW

On behalf of the Board of Directors of Habib Metropolitan Bank, I am pleased to present the un-audited accounts for the half year ended 30 June 2020.

The COVID-19 pandemic impacted global economic productivity and trade business during the period under review. The IMF downgraded its 2020 global growth forecast to negative 4.9 percent, and projected a more gradual recovery than previously anticipated.

Domestically, the moderation of underlying inflation has continued. CPI inflation marked at 10.7 percent in FY20, compared to 6.8 percent in FY19, with inflationary pressures alleviating in Jan-Jun 2020. Given the absence of demand-side pressures, average inflation could fall below the previously announced range of 7 to 9 percent in next fiscal year.

The current account deficit reduced by 78 percent year-on-year to USD 3 billion at the end of FY20. Foreign direct investment has been resilient, nearly doubling to USD 2.4 billion till June 2020, compared to the same period last year. The current account deficit is expected to remain in a stable position through the COVID-19 crisis due to lower oil prices. FX reserves increased by 24 percent year-on-year to USD 18 billion at end of FY20. Trade deficit reduced by over 27 percent year-on-year in FY20 as imports decreased by 18.6 percent year-on-year (to USD 44.6 billion) and exports decreased by 6.8 percent (to USD 21.4 billion) due to muted trade activity in the pandemic. Remittances increased by 6.4 percent during FY20 and amounted to USD 23 billion at the end of the period under review.

The banking sector's deposits increased by 12.2 percent year-on-year to Rs. 16.2 trillion at the end of June 2020. Meanwhile, the sector's investments increased by 40 percent year-on-year to Rs. 10.7 trillion and advances increased marginally to Rs. 8.2 trillion.

The State Bank of Pakistan (SBP) launched several initiatives to mitigate the financial impacts of COVID-19, geared towards enhancing financial stability of the economy. These included concessional refinancing facilities to protect employment and support the health sector, as well as regulatory measures to provide debt servicing relief.

The SBP also reduced the policy rate cumulatively by 625 basis points during the first half of the year to 7 percent at end of June 2020.

By the Grace of Allah, HabibMetro's operating profit for the first six months increased by 51 percent amounting to Rs. 8,449 million compared to Rs. 5,592 million in the corresponding period last year. This is result of strong performance on core interest margins as well as foreign exchange income. Due to higher provisioning, profit after tax increased by 29 percent amounted to Rs. 4,119 million compared to Rs. 3,176 million in the corresponding period last year, which translates into earnings per share of Rs. 3.93.

Total non-fund income increased by robust 43 percent and amounted to Rs. 4,749 million mainly on account of increase in foreign exchange income. The Bank's cost to income ratio improved to 45 percent as compared to 53 percent in the corresponding period last year.

Investments increased by 10 percent and amounted to Rs. 492,664 million compared to Rs. 448,910 million. Advances reached Rs. 292,424 million an increase of 11 percent over December 31, 2019 while total deposits stood at Rs. 598,476 million.

During the period under review, in line with strategy, the Bank's current deposits increased by 18 percent during the first half of the year to Rs. 207,687 million. This resulted in an increased CA mix of 34.7 percent.

The Bank's Net Equity stands at Rs. 57,592 million with a strong capital adequacy level of 18.9 percent.

The Bank maintained AA+ (Double A Plus) ratings for Long Term, and A1+ (A one plus) ratings for Short Term by the Pakistan Credit Rating Agency Limited (PACRA) for the eighteenth consecutive year. These ratings denote a high credit quality, with a low expectation of credit risk, and a strong capacity for timely payment of financial commitments.

With a network of 398 branches in 134 cities across Pakistan, including 31 Islamic banking branches, and 224 Islamic banking windows, HabibMetro provides a comprehensive spectrum of banking services and products. These include specialized trade finance products and an array of digital products and services including secured Mobile, Internet & SMS Banking services, globally accepted Visa Cards and nationwide network of ATMs.

Being a conscientious corporate citizen, your Bank acknowledges its corporate social responsibilities and continues to make regular contributions to a host of non-profit / social organizations. The Bank, during the first half of 2020, extended assistance in two major areas i.e. COVID-19 relief / healthcare and education. These voluntary contributions amount to Rs. 64.4 million.

The Bank's efforts towards COVID-19 relief comprised nation-wide ration distribution and donations for capacity enhancement at different hospitals. In addition to this, the Bank also contributed Rs. 10 million to the Prime Minister's COVID-19 Relief Fund. The Bank's employees contributed an additional Rs. 10 million to the Prime Minister's COVID-19 Relief Fund.

In the aftermath of the COVID-19 outbreak, the Bank increased efforts to promote its digital banking channels (mobile app, internet banking, Debit Cards) to reduce physical interaction at its branches for the safety of its staff and customers.

The Bank evoked its Business Continuity Planning (BCP) sites and offered work-from-home solutions to the staff. Safety precautions and protective equipment, such as sanitizers and masks, were also adequately available at official premises. Extensive support was also extended for the testing and hospitalization of affected staff.

Moreover, the Bank promoted SBP Re-finance & Debt Relief Schemes for the support of businesses affected by the pandemic. Operational measures to reduce physical interaction at branches, including cheque collection through drop boxes were also initiated, in line with the SBP directives. In addition to this, the Bank promoted online and over-the-counter donation collections for the Prime Minister's COVID-19 Relief Fund.

In April 2020, our Director and member Board Audit Committee Mr. Ali S. Habib passed away. The Board expressed profound grief and offered condolence to the family. The Board also wishes to place on record their appreciation for the invaluable contribution made by Mr. Ali S. Habib during his association with the Bank, as a Director. The Board greatly benefited from his experience and guidance. While Mr. Ali S. Habib's absence will be felt greatly in the years to come, his legacy will continue to inspire all of us.

In conclusion, I would like to place on record our sincere gratitude to the Ministry of Finance, the State Bank of Pakistan, and the Securities and Exchange Commission of Pakistan for their continued support and guidance to the Bank. I would also like to thank our valued customers for the trust and patronage that they continue to extend to us. Lastly, I would like to acknowledge the unwavering dedication of the staff of HabibMetro Bank, who continue to work tirelessly to provide uninterrupted financial services in these uncertain times. Their efforts enable the Bank to grow from strength to strength.

On behalf of the Board

MOHSIN A. NATHANI

President & Chief Executive Officer

Karachi: 18 August 2020

بینک کی خالص ایکویٹی 57,592 ملین روپے کے ساتھ 18.9 فیصد کی ایک مستحکم کسپل ایڈیکوئسی کی سطح پر ہے۔

بینک مسلسل اٹھارہ سال سے پاکستان کریڈٹ ریٹنگ ایجنسی لیٹنڈ (PACRA) کی جانب سے AA+ (ڈبل اے پلس) برائے طویل مدتی اور A1+ (اے ون پلس) برائے قلیل مدتی ریٹنگ حاصل کر رہا ہے جو اعلیٰ کریڈٹ کے معیار، کریڈٹ رسک کی کم اور مالیاتی وعدوں کی بروقت ادائیگی کی مستحکم صلاحیت ظاہر کرتی ہے۔

پاکستان بھر میں 134 شعبوں میں 398 شاخوں بشمول 31 اسلامک بینکنگ کی شاخوں اور 224 اسلامک بینکنگ ونڈوز کے ساتھ حبیب میٹرو بہترین، وسیع تر اور مکمل بینکاری خدمات اور پروڈکٹس فراہم کرتا ہے۔ ان میں خصوصی تجارتی مالیاتی پروڈکٹس، ڈیجیٹل پروڈکٹس اور خدمات بشمول محفوظ موبائل، انٹرنیٹ اینڈ SMS بینکنگ سروسز، دنیا بھر میں قابل قبول ویزا کارڈ اور ملکی سطح پر اپنے کسٹمرز کے لئے ATM نیٹ ورک شامل ہیں۔

بحیثیت ایک ذمہ دار اور فعال کارپوریٹ شہری آپ کا بینک اپنی کارپوریٹ سماجی ذمہ داریوں سے بخوبی آگاہ ہے اور سماجی اداروں میں معاونت کرتا ہے۔ بینک نے 2020 کی پہلی ششماہی کے دوران دو نمایاں شعبوں میں COVID-19 کی ریلیف/ہیلتھ کیئر اور تعلیم کے شعبوں میں معاونت فراہم کی۔ یہ رضا کارانہ عطیات 64.4 ملین روپے کے تھے۔

COVID-19 کے ضمن میں بینک کی امدادی کاوشیں راشن کی تقسیم اور مختلف اسپتالوں کی استعداد میں اضافے کے لئے عطیات پر مشتمل تھیں۔ مزید برآں بینک نے وزیراعظم کے COVID-19 ریلیف فنڈ میں 10 ملین روپے کا عطیہ بھی دیا۔ بینک کے ملازمین نے وزیراعظم کے COVID-19 ریلیف فنڈ میں اضافی 10 ملین روپے کا عطیہ دیا۔

COVID-19 کے پھیلاؤ کے بعد بینک نے اپنے ملازمین اور صارفین کی حفاظت کے لئے طبی روابط کم کرنے کی غرض سے اپنے ڈیجیٹل چینلوں (موبائل ایپ، انٹرنیٹ بینکنگ، ڈیجیٹل کارڈ) کے فروغ کے لئے اپنی کوششوں میں اضافہ کیا۔

بینک نے اپنی بزنس کنٹینیوٹی پلاننگ (بی سی پی) سائنس کو فعال کیا اور اپنے ملازمین کو گھر سے کام کرنے کی سہولت مہیا کی۔ بینک کے دفاتر میں احتیاطی تدابیر اور حفاظتی اشیاء مثلاً ہینڈ سینیٹائزرز اور ماسک مناسب تعداد میں مہیا کئے گئے۔ متاثرہ عملے کی جانچ پڑتال اور علاج کے لئے تمام تر معاونت فراہم کی گئی۔

مزید برآں بینک نے وبائی صورتحال سے متاثر ہونے والے کاروباروں کی معاونت کیلئے ایس بی بی ری-فنانسنگ اور ڈیجیٹل ریلیف اسکیم کو بھی فروغ دیا۔ ایس بی بی کی بنیادیاات کے مطابق، برائچوں میں صارفین کی ذاتی موجودگی میں کمی کرنے کیلئے آپریشنل اقدامات بشمول چیک کیشیشن بذریعہ ڈروپ بس کا آغاز کیا گیا۔ اس کے علاوہ بینک نے وزیراعظم COVID-9 ریلیف فنڈ میں عطیات کی وصولی کو فروغ دینے کیلئے آن لائن اور بذریعہ کاؤنٹر کی سہولیات فراہم کیں۔

اپریل 2020 میں ہمارے ڈائریکٹر اور ممبر بورڈ آف ڈائریکٹری جناب علی ایس۔ حبیب انتقال کر گئے۔ بورڈ نے گہرے دکھ اور رنج کا اظہار کرتے ہوئے مرحوم کے اہل خانہ سے دلی تعزیت کا اظہار کیا۔ بورڈ نے جناب علی ایس۔ حبیب کی بینک کے ساتھ بطور ڈائریکٹر گراں قدر خدمات کو سراہتے ہوئے انہیں بھرپور خراج تحسین بھی پیش کیا۔ بورڈ نے ان کے تجربات اور رہنمائی سے بھرپور استفادہ حاصل کیا اگرچہ آئے والے سالوں میں جناب علی ایس۔ حبیب کی کمی شدت سے محسوس کی جائے گی تاہم ان کے افکار ہمارے لئے مشعل راہ ثابت ہو سکے۔

آخر میں اس موقع پر میں وزارت مالیات، اسٹیٹ بینک آف پاکستان اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے بینک کیلئے تعاون اور ہدایات کیلئے شکور گزار ہوں۔ میں اپنے محترم اور قابل قدر کسٹمرز کا بھی ان کے اعتماد اور سرپرستی پر مشکور ہوں جو ان کے بینک پر مستقل بھروسے کا مظہر ہے۔ آخر میں حبیب میٹرو بینک کے اسٹاف کی انتھک کاوشوں اور جدوجہد کا اعتراف کرتے ہوئے انہیں خراج تحسین پیش کرتا ہوں جو کھن جو کھن حالات میں بھی بینک کے صارفین کو بلا کاوت مالیاتی خدمات فراہم کر رہے ہیں۔ ان ہی کاوشوں کی بدولت بینک مضبوط سے مضبوط تر ہوتا جا رہا ہے۔ منجانب بورڈ

حسن اے۔ ناتھانی
صدر و چیف ایگزیکٹو آفیسر

کراچی: 18 اگست 2020

ڈائریکٹرز ریویو

میں نہایت مسرت کے ساتھ حبیب میٹرو پولیٹن بینک کے بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2020 کو ختم ہونے والی ششماہی کیلئے غیر آڈٹ شدہ اکاؤنٹس پیش کر رہا ہوں۔

COVID-19 کی وبائی صورتحال نے زیر جائزہ مدت کے دوران عالمی معاشی صورتحال اور تجارتی کاروبار کو متاثر کیا۔ آئی ایم ایف نے 2020 کیلئے عالمی گروتھ کی پیش گوئی منفی 4.9 فیصد کی ہے اور ستر رو بجالی کی توقع ظاہر کی ہے۔

مقامی سطح پر بنیادی افراط زر کے اضافے میں اعتدال کا رجحان رہا۔ مالی سال 2020 جنوری تا جون میں افراط زر میں کمی کے باوجود پی آئی آئی افراط زر 10.7 فیصد رہا جو مقامی ملٹی سال 2019 میں 6.8 فیصد تھا۔ طلب میں کمی کے باعث اوسط افراط زر آئندہ مالی سال میں پہلے سے اعلان کردہ 7 سے 9 فیصد کی سطح سے نیچے آ سکتا ہے۔

کرنٹ اکاؤنٹ خسارہ سال بہ سال 78 فیصد تک کم ہو کر مالی سال 2020 کے اختتام پر 3 بلین امریکی ڈالر ہو گیا۔ براہ راست غیر ملکی سرمایہ کاری بتدریج بہتر رہی اور جون 2020 تک لگ بھگ ڈیڑھ سو کروڑ گزشتہ سال کی اسی مدت کے مقابلے میں 2.4 بلین امریکی ڈالر ہو گئی۔ کرنٹ اکاؤنٹ خسارہ COVID-19 کے بحران کے باعث تیل کے کمزور خوں کی وجہ سے مستحکم پوزیشن پر رہنے کی توقع ہے۔ مالی سال 2020 کے اختتام پر غیر ملکی زرمبادلہ کے ذخائر سال بہ سال 24 فیصد بڑھ کر 18 بلین امریکی ڈالر تک پہنچ گئے۔ تجارتی خسارہ مالی سال 2020 میں سال بہ سال کی بنیاد پر 27 فیصد تک کم ہو گیا کیونکہ درآمدات میں 18.6 فیصد (44.6 بلین امریکی ڈالر) تک کمی آئی جبکہ برآمدات وبائی صورتحال میں تجدید تجارتی سرگرمیوں کے باعث 6.8 فیصد (21.4 بلین امریکی ڈالر) تک کم ہو گئیں۔ مالی سال 2020 کے دوران زر ترسیلات 6.4 فیصد تک بڑھ گئیں اور زیر جائزہ مدت کے اختتام تک ان کا مجموعہ 23 بلین امریکی ڈالر رہا۔

بینکنگ سیکٹر کے ڈپازٹس سال بہ سال 12.2 فیصد بڑھ کر جون 2020 کے اختتام پر 16.2 ٹریلین روپے ہو گئے۔ اس دوران بینکنگ سیکٹر کی سرمایہ کاری سال بہ سال 40 فیصد بڑھ کر 10.7 ٹریلین روپے ہو گئی اور ایڈوانسز معمولی اضافے کے بعد 8.2 ٹریلین روپے ہو گئے۔

اسٹیٹ بینک آف پاکستان نے COVID-19 کے اثرات کو کم کرنے کے لئے معیشت کے مالیاتی استحکام کے ضمن میں متعدد اقدامات متعارف کرائے۔ ان میں روزگاری حفاظت اور صحت کے شعبے کی مدد کیلئے رعایتی ری فنانسنگ کی سہولیات شامل ہیں۔ ساتھ ہی قرضہ جات کی ادائیگی میں آسانی کے لئے قانونی اقدامات کئے گئے۔

ایس بی پی نے سال کی پہلی ششماہی کے دوران پالیسی ریٹ میں مجموعی طور پر 625 بنیادی پوائنٹس کی کمی بھی کی جو جون 2020 کے اختتام پر 7 فیصد ہو گیا۔

اللہ تعالیٰ کے فضل و کرم سے 2020 کی پہلی ششماہی میں حبیب میٹرو کا آپریشنک منافع 51 فیصد بڑھ کر 8,449 ملین روپے ہو گیا جو کہ گزشتہ سال کی اسی مدت میں 5,592 ملین روپے تھا۔ یہ انٹرسٹ مارجن اور زرمبادلہ آمدنی کی مستحکم کارکردگی کا نتیجہ ہے۔ قرضہ جات کی اضافی پروڈیٹنگ کے باعث بعد از ٹیکس منافع 29 فیصد بڑھ کر 11,9 ملین روپے تک جا پہنچا جو کہ گزشتہ سال کی اسی مدت میں 3,176 ملین روپے تھا۔ اس منافع کے نتیجے میں آمدنی فی شیئر 3.93 روپے ہو گئی۔

مجموعی نان-فینڈ آمدنی 43 فیصد نمایاں اضافے کے بعد 4,749 ملین روپے ہو گئی جس کی بنیادی وجہ زرمبادلہ کی آمدنی میں اضافہ تھا۔ بینک کے اخراجات اور آمدنی کی شرح تناسب کے لحاظ سے 45 فیصد ہو گئی جو گزشتہ سال کی اسی مدت میں 53 فیصد تھی۔

سرمایہ کاری کا حجم 10 فیصد بڑھ کر 492,664 ملین روپے ہو گیا جو کہ گزشتہ سال کی اسی مدت میں 448,910 ملین روپے تھا۔ ایڈوانسز 31 دسمبر 2019 کے مقابلے میں 11 فیصد بڑھ کر 292,424 ملین روپے ہو گئے جبکہ مجموعی ڈپازٹس 598,476 ملین روپے رہے۔

زیر جائزہ مدت کے دوران، حکمت عملی کے مطابق، بینک کے کرنٹ ڈپازٹس سال کی پہلی ششماہی کے دوران 18 فیصد بڑھ کر 207,687 ملین روپے ہو گئے۔ اس کے نتیجے میں کرنٹ اکاؤنٹ (CA) کا تناسب بڑھ کر 34.7 فیصد ہو گیا۔

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF HABIB METROPOLITAN BANK LIMITED

Report on review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Habib Metropolitan Bank Limited ("the Bank") as at 30 June 2020 and the related condensed interim unconsolidated statement of profit or loss account and condensed interim unconsolidated other comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows and notes to the condensed interim unconsolidated financial statements for the six-months period then ended (here-in-after referred to as the "condensed interim unconsolidated financial statements"). Management is responsible for the preparation and presentation of this condensed interim unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim unconsolidated financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the quarter ended 30 June 2020 in the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the engagement resulting in this independent auditor's review report is Amyn Pirani.

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	6	57,533,811	70,713,603
Balances with other banks	7	7,924,546	1,865,528
Lendings to financial institutions	8	1,700,000	22,197,303
Investments	9	492,663,903	448,909,727
Advances	10	292,423,962	263,948,473
Fixed assets	11	8,635,093	8,306,783
Intangible assets	12	91,006	66,462
Deferred tax assets	13	–	3,712,435
Other assets	14	47,636,144	39,854,208
		<u>908,608,465</u>	<u>859,574,522</u>

LIABILITIES

Bills payable	15	16,791,062	11,541,474
Borrowings	16	180,559,289	144,464,063
Deposits and other accounts	17	598,475,564	611,869,248
Liabilities against assets subject to finance lease		–	–
Sub-ordinated debts		–	–
Deferred tax liabilities	13	2,577,669	–
Other liabilities	18	52,613,303	47,462,207
		<u>851,016,887</u>	<u>815,336,992</u>
NET ASSETS		<u>57,591,578</u>	<u>44,237,530</u>

REPRESENTED BY

Share capital		10,478,315	10,478,315
Reserves		18,408,238	17,584,517
Surplus / (deficit) on revaluation of assets - net of tax	19	8,988,448	(2,885,060)
Unappropriated profit		19,716,577	19,059,758
		<u>57,591,578</u>	<u>44,237,530</u>

CONTINGENCIES AND COMMITMENTS

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

FUZAIL ABBAS
Chief Financial Officer

MOHSIN A. NATHANI
President &
Chief Executive Officer

FIRASAT ALI
Director

RASHID AHMED JAFER
Director

MOHAMEDALI R. HABIB
Chairman

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

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2020

	Note	30 June 2020		30 June 2019	
		Quarter ended	Half year ended	Quarter ended (Restated)	Half year ended
Rupees in '000					
Mark-up / return / interest earned	22	19,849,642	40,457,400	16,670,668	30,674,001
Mark-up / return / interest expensed	23	(13,455,554)	(29,739,731)	(12,445,276)	(22,068,472)
Net mark-up / interest income		6,394,088	10,717,669	4,225,392	8,605,529
NON MARK-UP / INTEREST INCOME					
Fee and commission income	24	1,129,111	2,471,875	1,331,629	2,608,450
Dividend income		71,697	104,444	15,681	36,169
Foreign exchange income		1,224,531	2,006,532	901,088	1,358,716
Income / (loss) from derivatives		—	—	—	—
Gain / (loss) on securities	25	44,417	149,122	(729,312)	(718,734)
Other income	26	8,308	17,195	13,922	30,736
Total non mark-up / interest income		2,478,064	4,749,168	1,533,008	3,315,337
Total income		8,872,152	15,466,837	5,758,400	11,920,866
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	27	3,336,309	6,840,916	3,118,915	6,177,296
Workers' welfare fund		82,000	148,000	50,000	110,000
Other charges	28	22,836	29,240	40,581	41,295
Total non-mark-up / interest expenses		(3,441,145)	(7,018,156)	(3,209,496)	(6,328,591)
Profit before provisions		5,431,007	8,448,681	2,548,904	5,592,275
(Provisions) / reversal and write offs - net	29	(1,116,221)	(1,600,347)	240,485	106,857
Extra ordinary / unusual items		—	—	—	—
PROFIT BEFORE TAXATION		4,314,786	6,848,334	2,789,389	5,699,132
Taxation	30	(1,722,354)	(2,729,395)	(1,079,715)	(2,523,533)
PROFIT AFTER TAXATION		2,592,432	4,118,939	1,709,674	3,175,599
Rupees					
Basic and diluted earnings per share	31	2.47	3.93	1.63	3.03

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

FUZAIL ABBAS
Chief Financial Officer

MOHSIN A. NATHANI
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Chief Executive Officer

FIRASAT ALI
Director

RASHID AHMED JAFER
Director

MOHAMEDALI R. HABIB
Chairman

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2020

	30 June 2020		30 June 2019	
	Quarter ended	Half year ended	Quarter ended (Restated)	Half year ended
	Rupees in '000			
Profit after taxation	2,592,432	4,118,939	1,709,674	3,175,599
Other comprehensive income				
Items that may be reclassified to profit and loss in subsequent periods:				
Effect of translation of net investment in an offshore branch	136	(67)	–	–
Movement in surplus / (deficit) on revaluation of investments - net of tax	4,995,054	11,875,230	(1,089,335)	(554,998)
Items that will not be reclassified to profit and loss in subsequent periods:				
Remeasurement gain / (loss) on defined benefit obligations - net of tax	5,142	(20,475)	(2,460)	16,418
Total comprehensive income	<u>7,592,764</u>	<u>15,973,627</u>	<u>617,879</u>	<u>2,637,019</u>

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

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MOHAMEDALI R. HABIB
Chairman

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2020**

	Reserves						Surplus / (deficit) on revaluation			
	Share capital	Exchange translation reserve	Share premium	Statutory reserve	Special reserve	Revenue reserve	Investments	Non-banking assets	Un-appropriated profit	Total
	Rupees in '000									
Balance as at 1 January 2019	10,478,315	-	2,550,985	11,976,447	240,361	1,500,000	(5,753,117)	179,461	15,829,504	37,001,956
Profit after taxation	-	-	-	-	-	-	-	-	3,175,599	3,175,599
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
- net of tax	-	-	-	-	-	-	(554,998)	-	16,418	(538,580)
Total comprehensive income for the period	-	-	-	-	-	-	(554,998)	-	3,192,017	2,637,019
Transfer to statutory reserve	-	-	-	635,120	-	-	-	-	(635,120)	-
Transfer from surplus on revaluation of assets to unappropriated profit	-	-	-	-	-	-	-	-	-	-
- net of tax	-	-	-	-	-	-	-	(1,424)	1,424	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	(2,095,663)	(2,095,663)
Cash dividend (Rs. 2.00 per share) for the year ended 31 December 2018	-	-	-	-	-	-	-	-	(2,095,663)	(2,095,663)
Balance as at 30 June 2019	10,478,315	-	2,550,985	12,611,567	240,361	1,500,000	(6,308,115)	178,037	16,292,162	37,543,312
Profit after taxation	-	-	-	-	-	-	-	-	3,407,882	3,407,882
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
- net of tax	-	28	-	-	-	-	3,197,624	48,840	39,844	3,286,336
Total comprehensive income for the period	-	28	-	-	-	-	3,197,624	48,840	3,447,726	6,694,218
Transfer to statutory reserve	-	-	-	681,576	-	-	-	-	(681,576)	-
Transfer from surplus on revaluation of assets to unappropriated profit	-	-	-	-	-	-	-	-	-	-
- net of tax	-	-	-	-	-	-	-	(1,446)	1,446	-
Balance as at 31 December 2019	10,478,315	28	2,550,985	13,293,143	240,361	1,500,000	(3,110,491)	225,431	19,059,758	44,237,530
Profit after taxation	-	-	-	-	-	-	-	-	4,118,939	4,118,939
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
- net of tax	-	(67)	-	-	-	-	11,875,230	-	(20,475)	11,854,688
Total comprehensive income for the period	-	(67)	-	-	-	-	11,875,230	-	4,098,464	15,973,627
Transfer to statutory reserve	-	-	-	823,788	-	-	-	-	(823,788)	-
Transfer from surplus on revaluation of assets to unappropriated profit	-	-	-	-	-	-	-	-	-	-
- net of tax	-	-	-	-	-	-	-	(1,722)	1,722	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
Cash dividend (Rs. 2.50 per share) for the year ended 31 December 2019	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
Balance as at 30 June 2020	10,478,315	(39)	2,550,985	14,116,931	240,361	1,500,000	8,764,739	223,709	19,716,577	57,591,578

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

FUZAIL ABBAS
Chief Financial Officer

MOHSIN A. NATHANI
President &
Chief Executive Officer

FIRASAT ALI
Director

RASHID AHMED JAFER
Director

MOHAMEDALI R. HABIB
Chairman

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2020

	Note	30 June 2020	31 June 2019
		(Un-Audited)	
		Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		6,848,334	5,699,132
Less: Dividend income		(104,444)	(36,169)
		<u>6,743,890</u>	<u>5,662,963</u>
Adjustments			
Depreciation on operating fixed assets		531,309	472,804
Depreciation on right-of-use assets		382,749	354,141
Depreciation on non-banking assets		5,731	5,577
Amortization		35,847	59,774
Mark-up / return / interest expensed on lease liability against right-of-use assets		264,457	228,766
Provisions / (reversals) and write offs excluding recovery of written off bad debts	29	1,611,098	(103,327)
Unrealised gain on securities - held-for-trading		(40,038)	-
Net gain on sale of fixed assets		(9,046)	(9,526)
Provision against workers' welfare fund		148,000	110,000
Provision against compensated absences		23,757	26,708
Provision against defined benefit plan		86,655	85,486
		<u>3,040,519</u>	<u>1,230,403</u>
		<u>9,784,409</u>	<u>6,893,366</u>
(Increase) / decrease in operating assets			
Lendings to financial institutions		20,497,303	(9,163,465)
Advances		(29,906,513)	(46,089,969)
Other assets (excluding current taxation)		(2,316,601)	(15,431,562)
		<u>(11,725,811)</u>	<u>(70,684,996)</u>
Increase / (decrease) in operating liabilities			
Bills payable		5,249,588	2,190,339
Borrowings from financial institutions		39,758,934	97,886,448
Deposits and other accounts		(13,393,684)	48,431,814
Other liabilities (excluding current taxation)		(1,985,401)	9,288,555
		<u>29,629,437</u>	<u>157,797,156</u>
		<u>27,688,035</u>	<u>94,005,526</u>
Payment against compensated absences		(7,218)	(16,347)
Income tax paid		(1,889,310)	(2,531,115)
Net cash flows from operating activities		<u>25,791,507</u>	<u>91,458,064</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in held-for-trading securities		(7,187,303)	-
Net investments in available-for-sale securities		(21,719,803)	(53,665,534)
Net investments in held-to-maturity securities		3,282,479	41,150
Dividend received		103,466	6,502
Investments in fixed assets		(716,209)	(738,469)
Investments in intangibles assets		(60,391)	(7,420)
Proceeds from sale of fixed assets		11,861	14,443
Effect of translation of net investment in an offshore branch		(67)	-
Net cash flows from investing activities		<u>(26,285,967)</u>	<u>(54,349,328)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(2,605,130)	(1,294,803)
Payment of lease against right-of-use assets		(357,476)	(351,730)
Net cash flows from financing activities		<u>(2,962,606)</u>	<u>(1,646,533)</u>
Increase in cash and cash equivalents		<u>(3,457,066)</u>	<u>35,462,203</u>
Cash and cash equivalents at beginning of the period		<u>68,472,282</u>	<u>46,103,870</u>
Cash and cash equivalents at end of the period		<u><u>65,015,216</u></u>	<u><u>81,566,073</u></u>

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

FUZAIL ABBAS Chief Financial Officer	MOHSIN A. NATHANI President & Chief Executive Officer	FIRASAT ALI Director	RASHID AHMED JAFER Director	MOHAMEDALI R. HABIB Chairman
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NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2020

1. STATUS AND NATURE OF BUSINESS

Habib Metropolitan Bank Limited (the Bank) was incorporated in Pakistan on 3 August 1992, as a public limited company, under the Companies Ordinance, 1984 (now Companies Act, 2017) and is engaged in commercial banking and related services. Its shares are listed on the Pakistan Stock Exchange. The Bank operates 368 (31 December 2019: 362) branches, including 31 (31 December 2019: 31) Islamic banking branches and an offshore branch (Karachi Export Processing Zone branch), and 30 (31 December 2019: 30) sub branches in Pakistan. The Bank is a subsidiary of Habib Bank AG Zurich - Switzerland (the holding company with 51% shares in the Bank) which is incorporated in Switzerland.

The registered office of the Bank is situated at Spencer's Building, II Chundrigar Road, Karachi.

2. BASIS OF PRESENTATION

2.1 These unconsolidated condensed interim financial statements represent separate financial statements of the Bank. The consolidated financial statements of the Bank and its subsidiary companies are being separately issued.

2.2 Statement of Compliance

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

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

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of the IAS 34 or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The SBP vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement" and IAS 40 "Investment Property" for banking companies till further instructions. Further, according to a notification of the Securities and Exchange Commission of Pakistan (SECP) through S.R.O. No. 411 (1) / 2008 dated 28 April 2008, IFRS 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

The Securities and Exchange Commission of Pakistan (SECP) has notified Islamic Financial Accounting Standard (IFAS) 3, 'Profit and Loss Sharing on Deposits' issued by the Institute of Chartered Accountants of

Pakistan. IFAS 3 shall be followed with effect from the financial periods beginning on or after 1 January 2014 in respect of accounting for transactions relating to 'Profit and Loss Sharing on Deposits' as defined by the said standard. The standard has resulted in certain new disclosures in the financial statements of the Bank. The SBP through BPRD Circular Letter No. 4 dated 25 February 2015, has deferred the applicability of IFAS 3 till further instructions and prescribed the Banks to prepare their annual and periodical financial statements as per existing prescribed formats issued vide BPRD Circular 2 of 2018, as amended from time to time.

The disclosures and presentations made in these unconsolidated condensed interim financial statements are based on a format prescribed by the SBP vide BPRD Circular Letter No. 5 dated 22 March 2019 and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the audited unconsolidated financial statements of the Bank for the year ended 31 December 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and method of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the audited unconsolidated financial statements of the Bank for the year ended 31 December 2019.

3.1 Amendments to approved accounting standards that are effective in the current period

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after 1 January 2020 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore are not detailed in these unconsolidated condensed interim financial statements.

3.2 Standards, interpretations of and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current year.

There are various standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not effective in the current year. These are not likely to have material effect on the Bank's financial statements except for the following:

IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation – for Banks and DFIs, the effective date of the standard has been extended to annual periods beginning on or after 1 January 2021 by the State Bank of Pakistan. IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The impact of the application of IFRS 9 on the Bank's financial statements is being assessed.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements are the same as that applied in the preparation of the audited unconsolidated financial statements for the year ended 31 December 2019.

5. RISK MANAGEMENT

The Bank's risk management policies are the same as disclosed in the financial statements for the year ended 31 December 2019.

The COVID-19 will have a major impact on global economy. Governments and regulators across the globe have introduced fiscal and economic stimulus measures to mitigate its impact. The Government of Pakistan and

State Bank of Pakistan have taken various fiscal and regulatory measures to sustain economic activity and to maintain banking system soundness which include the following:

- Reduction in the Policy Rate by 625 basis points since the beginning of the year;
- Reduction in the capital conservation buffer by 100 basis points to 1.5%;
- Increasing the regulatory limit on extension of credit to SMEs to Rs 180 million;
- Relaxing the debt burden ratio for consumer loans from 50% to 60%;
- Allowing banks to defer borrowers' principal loan payments by one year and / or restructure / reschedule loans for borrowers who require relief of principal repayment exceeding one year and / or mark-up with no reflection on credit history; and
- Introduction of refinancing schemes for payment of wages and salaries.

COVID-19 will impact banks in Pakistan on a number of fronts including increase in overall credit risk pertaining to the loans and advances portfolio, reduced fee income due to overall slowdown in economic activity, continuity of business operations and managing cybersecurity threat as a significant number of the Bank's staff is working from home and an ever increasing number of customers are being encouraged to use digital channels.

Credit Risk

All credit approvals relating to SBP COVID-19 measures are being reviewed on regular basis as per the prescribed format. Further, evaluation of all the requests are being made with the industry analysis especially geared to assess the impact of COVID-19 on the relevant industry.

Due to the ongoing pandemic credit reviews are being conducted as and when required in order to take adequate steps to identify potential defaults and come up with mitigation strategies.

Liquidity Risk

Liquidity position of the bank remained strong in spite of approving deferment requests of principal & restructured loan, in line with SBP directives. HabibMetro's strong deposit base backed by continued customer confidence and holding of government securities has enabled the bank to maintain a robust liquidity profile, also depicted in LCR ratio.

The Asset and Liability Committee (ALCO) of the Bank is also continuously monitoring the liquidity position and the Bank is confident that the current liquidity buffer is sufficient to cater to any adverse movement in the maturity profile.

Equity Risk

In order to dampen the effects of COVID-19, SBP has allowed banks to recognize impairment loss, if any, resulting from the valuation of listed equity securities held as "Available-for-Sale" (AFS), in phased manner equally on quarterly basis during calendar year ending on 31 December 2020. However, SBP also encouraged the Banks for early recognition of full impairment loss. The Bank has fully recognized the impairment on listed equity securities portfolio.

Operational Risk

In response to the pandemic, the bank invoked its Organizational Business Continuity Plan. The plan's primary objective was to assure that all safety and precautionary measures were adopted, safeguarding the staff and customers of the bank. These include rationalizing staff head count at office to ensure social distancing and maintaining healthy work force as backup. At all office locations availability of sanitizers, masks and other protection equipment and regular disinfection of locations were ensured.

From the operational perspective, the measures adopted by the Bank include execution of BCP sites and implementation of the work from home strategy to facilitate split working locations thereby ensuring continuity of the Bank's operations. Further to ensure uninterrupted availability of financial services to its customers, enhancements were made in the digital / alternate delivery channels allowing customer to execute business transactions without physical interactions.

Capital Adequacy Ratio

In order to encourage Banks to continue lending despite anticipated pressure on profits and credit risk, the SBP has relaxed the Capital Conversion Buffer (CCB) requirements to 1.5%, resulting in a 1% decline in CAR requirements for all Tiers.

As of 30 June 2020, the Bank's CAR provides sufficient cushion over the minimum requirement.

	Note	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
		Rupees in '000	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		7,777,766	7,400,310
Foreign currencies		2,192,739	1,289,049
		<u>9,970,505</u>	<u>8,689,359</u>
With State Bank of Pakistan in			
Local currency current account		25,131,164	37,267,692
Foreign currency current account		204,192	64,248
Foreign currency deposit accounts			
- cash reserve account		5,860,765	5,663,551
- special cash reserve account		11,258,403	16,348,050
		<u>42,454,524</u>	<u>59,343,541</u>
With National Bank of Pakistan in			
Local currency current accounts		5,091,895	2,558,634
National Prize Bonds		<u>16,887</u>	<u>122,069</u>
		<u>57,533,811</u>	<u>70,713,603</u>
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		25,512	146,324
In deposit accounts		326,400	310,468
		<u>351,912</u>	<u>456,792</u>
Outside Pakistan			
In current accounts		7,572,634	1,408,736
		<u>7,924,546</u>	<u>1,865,528</u>
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Musharaka placements	8.1	1,700,000	7,190,000
Bai-muajjal receivable with the State Bank of Pakistan		-	7,507,303
Letter of placement		-	7,500,000
		<u>1,700,000</u>	<u>22,197,303</u>

8.1 These carry profit / return rate from 7.5% to 8.0% (2019: 8% to 12.15%) per annum with maturity upto 7 July 2020 (2019: 3 February 2020).

9. INVESTMENTS

9.1 Investments by types

	30 June 2020 (Un-Audited)				31 December 2019 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Rupees in '000							
Held-for-trading securities								
Federal government securities	7,187,303	-	40,038	7,227,341	-	-	-	-
Available-for-sale securities								
Federal government securities	420,611,888	-	13,425,336	434,037,224	401,765,140	-	(4,916,665)	396,848,475
Shares	1,245,586	(466,014)	138,769	918,341	682,760	(333,784)	106,775	455,751
Non-government debt securities	11,072,937	(127,319)	(58,405)	10,887,213	9,383,743	(130,559)	(39,636)	9,213,548
Mutual funds	599,653	(9,647)	(19,317)	570,689	29,702	(9,647)	9,656	29,711
Real estate investment trust	387,869	-	(2,169)	385,700	387,869	-	54,499	442,368
	433,917,933	(602,980)	13,484,214	446,799,167	412,249,214	(473,990)	(4,785,371)	406,989,853
Held-to-maturity securities								
Federal government securities	36,107,395	-	-	36,107,395	36,089,874	-	-	36,089,874
Non-government debt securities	1,700,000	-	-	1,700,000	5,000,000	-	-	5,000,000
	37,807,395	-	-	37,807,395	41,089,874	-	-	41,089,874
Subsidiaries	830,000	-	-	830,000	830,000	-	-	830,000
Total Investments	479,742,631	(602,980)	13,524,252	492,663,903	454,169,088	(473,990)	(4,785,371)	448,909,727

	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
	Rupees in '000	

9.1.1 Investments given as collateral against repo borrowing

Federal government securities		
Market treasury bills	18,560,483	81,790,898
Pakistan investment bonds	89,743,250	7,415,475
	108,303,733	89,206,373

9.2 Provision for diminution in value of investments

9.2.1 Opening balance	473,990	417,991
Charge for the period / year	183,314	63,868
Reversal for the period / year	(3,240)	(7,869)
Net charge for the period / year	180,074	55,999
Reversal on disposal	(51,084)	-
Closing balance	602,980	473,990

9.2.2 Particulars of provision against debt securities

Category of classification	30 June 2020 (Un-Audited)		31 December 2019 (Audited)	
	Non-performing investments	Provision	Non-performing investments	Provision
	Rupees in '000			
Domestic				
Loss	127,319	127,319	130,559	130,559
	<u>127,319</u>	<u>127,319</u>	<u>130,559</u>	<u>130,559</u>

9.3 The market value of securities classified as held-to-maturity is Rs. 38,914,108 thousand (31 December 2019: Rs 39,168,228 thousand).

10. ADVANCES

	Performing		Non-Performing		Total	
	30 June 2020 (Un-Audited)	31 December 2019 (Audited)	30 June 2020 (Un-Audited)	31 December 2019 (Audited)	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
	Rupees in '000					
Loans, cash credits, running finances, etc.						
In Pakistan	224,981,035	199,539,259	14,573,528	14,554,885	239,554,563	214,094,144
Islamic financing and related assets	29,558,699	22,193,648	855,983	853,946	30,414,682	23,047,594
Bills discounted and purchased	38,562,267	41,598,380	1,780,815	2,124,307	40,343,082	43,722,687
Advances - gross	293,102,001	263,331,287	17,210,326	17,533,138	310,312,327	280,864,425
Provision against non-performing advances						
- specific	—	—	(15,194,162)	(15,294,415)	(15,194,162)	(15,294,415)
- general	(2,694,203)	(1,621,537)	—	—	(2,694,203)	(1,621,537)
	(2,694,203)	(1,621,537)	(15,194,162)	(15,294,415)	(17,888,365)	(16,915,952)
Advances - net of provisions	<u>290,407,798</u>	<u>261,709,750</u>	<u>2,016,164</u>	<u>2,238,723</u>	<u>292,423,962</u>	<u>263,948,473</u>

10.1 Particulars of advances - gross

	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
	Rupees in '000	
In local currency	274,441,588	239,106,297
In foreign currencies	35,780,739	41,758,128
	<u>310,312,327</u>	<u>280,864,425</u>

10.2 Advances include Rs. 17,210,325 thousand (31 December 2019: Rs. 17,533,138 thousand) which have been placed under non-performing status as detailed below:

Category of classification	30 June 2020 (Un-Audited)		31 December 2019 (Audited)	
	Non-performing loans	Provision	Non-performing loans	Provision
	Rupees in '000			
Domestic				
Substandard	349,592	6,226	433,980	76,611
Doubtful	699,317	243,557	628,533	273,742
Loss	16,161,416	14,944,379	16,470,625	14,944,062
	<u>17,210,325</u>	<u>15,194,162</u>	<u>17,533,138</u>	<u>15,294,415</u>

10.3 Particulars of provision against advances

	30 June 2020 (Un-Audited)			31 December 2019 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	15,294,415	1,621,537	16,915,952	15,324,500	1,236,190	16,560,690
Charge for the period / year	799,250	1,072,666	1,871,916	1,179,540	385,347	1,564,887
Reversals	(440,892)	–	(440,892)	(1,197,378)	–	(1,197,378)
Net charge / (reversal) for the period / year	358,358	1,072,666	1,431,024	(17,838)	385,347	367,509
Amount written off	(458,611)	–	(458,611)	(12,247)	–	(12,247)
Closing balance	<u>15,194,162</u>	<u>2,694,203</u>	<u>17,888,365</u>	<u>15,294,415</u>	<u>1,621,537</u>	<u>16,915,952</u>

10.3.1 General provision includes provision of Rs. 3,837 thousand (31 December 2019: Rs. 3,410 thousand) made against consumer portfolio and Rs. 16 thousand (31 December 2019: Rs. 55 thousand) made against small enterprises (SEs) portfolio as required by the Prudential Regulation issued by the SBP. General provision also includes provision of Rs. 2,690,350 thousand (31 December 2019: Rs. 1,618,072 thousand) against potential credit risk in the advances portfolio.

10.3.2 Particulars of provision against advances

	30 June 2020 (Un-Audited)			31 December 2019 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
In local currency	14,741,499	2,694,203	17,435,702	14,877,139	1,621,537	16,498,676
In foreign currencies	452,663	–	452,663	417,276	–	417,276
	<u>15,194,162</u>	<u>2,694,203</u>	<u>17,888,365</u>	<u>15,294,415</u>	<u>1,621,537</u>	<u>16,915,952</u>

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

During the current year, the Bank availed additional forced sale value (FSV) benefit under BSD Circular No. 1 of 21 October 2011. This has resulted in reduction of provision against non-performing loans and advances by Rs. 150,906 thousand (31 December 2019: Rs. 315,348 thousand). Further, as of 30 June 2020, had the benefit of FSVs (including those availed into previous year) not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 1,404,310 thousand (31 December 2019: Rs. 1,598,972 thousand) and accumulated profit would have been lower by Rs. 912,802 thousand (31 December 2019: Rs. 1,039,332 thousand). This amount of Rs. 912,802 thousand (31 December 2019: Rs. 1,039,332 thousand) is not available for distribution of cash and stock dividend to the shareholders and bonus to employees.

	Note	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
		Rupees in '000	
11. FIXED ASSETS			
Capital work-in-progress	11.1	414,703	343,734
Property and equipment		4,248,022	4,136,907
Right-of-use assets		3,972,368	3,826,142
		<u>8,635,093</u>	<u>8,306,783</u>
11.1 Capital work-in-progress			
Civil works		278,770	243,323
Advance to suppliers		135,933	100,411
		<u>414,703</u>	<u>343,734</u>
		Half year ended	
		30 June 2020 (Un-Audited)	30 June 2019
11.2 Additions to fixed assets		Rupees in '000	
The following additions have been made to fixed assets during the period:			
Capital work-in-progress - additions / (transfer to fixed assets) - net		70,969	(23,999)
Property and equipment			
Building on leasehold land		–	149,102
Furniture and fixture		61,941	29,616
Electrical, office and computer equipment		354,035	458,623
Vehicles		17,812	27,978
Lease hold improvement		211,452	97,149
		645,240	762,468
Right-of-use assets		528,975	–
Total		<u>1,245,184</u>	<u>738,469</u>
11.3 Disposal of fixed assets			
The net book value of fixed assets disposed off during the period is as follows:			
Furniture and fixture		35	40
Electrical, office and computer equipment		519	457
Vehicles		2,261	4,420
Total		<u>2,815</u>	<u>4,917</u>

	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
	Rupees in '000	
12. INTANGIBLE ASSETS		
Computer software	91,006	66,462
	Half year ended	
	30 June 2020 (Un-Audited)	30 June 2019 (Audited)
	Rupees in '000	
12.1 The following additions have been made to intangible assets during the period:		
- directly purchased	60,391	7,420
	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
	Rupees in '000	
13. DEFERRED TAX LIABILITIES / (ASSETS)		
Deductible temporary differences		
Provision for diminution in value of investments	(211,043)	(165,897)
Provision for non-performing loans and advances and off - balance sheet items	(1,998,444)	(2,024,464)
Deficit on revaluation of investments	-	(1,674,880)
Deferred liability on defined benefit plan	(51,437)	(40,412)
Accelerated depreciation	(1,341)	-
	(2,262,265)	(3,905,653)
Taxable temporary differences		
Surplus on revaluation of investments	4,719,475	-
Surplus on revaluation of non-banking assets	120,459	121,385
Accelerated depreciation	-	71,833
	4,839,934	193,218
Net deferred tax liability / (asset)	2,577,669	(3,712,435)

	Note	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
		Rupees in '000	
14. OTHER ASSETS			
Income / mark-up / profit accrued in local currency		11,794,855	12,529,140
Income / mark-up / profit accrued in foreign currencies		46,625	43,085
Advances, deposits and other prepayments		336,396	225,452
Advance taxation (payments less provision)		–	647,808
Non-banking assets acquired in satisfaction of claims		414,161	417,244
Branch adjustment account		234	58
Mark-to-market gain on forward foreign exchange contracts		7,178,316	4,458,787
Acceptances		27,089,103	20,971,205
Receivable from the SBP against encashment of government securities		39,439	55,080
Stationery and stamps on hand		76,649	88,551
Dividend receivable		978	–
Others		525,220	280,982
		47,501,976	39,717,392
Provision against other assets		(210,000)	(210,000)
Other assets (net of provision)		47,291,976	39,507,392
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	19	344,168	346,816
		47,636,144	39,854,208

	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
	Rupees in '000	
15. BILLS PAYABLE		
In Pakistan	<u>16,791,062</u>	<u>11,541,474</u>
16. BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan		
Under export refinance scheme	53,535,771	36,842,480
Under long term financing facility - renewable energy	844,303	884,970
Under long term financing facility - locally manufactured plant and machinery	12,452,559	10,466,484
Under refinance for payment of wages and salaries	<u>5,856,874</u>	<u>—</u>
	<u>72,689,507</u>	<u>48,193,934</u>
Repurchase agreement borrowings (Repo)	107,426,641	89,397,739
Due against bills rediscounting	<u>—</u>	<u>2,765,541</u>
	<u>180,116,148</u>	<u>140,357,214</u>
Unsecured		
Overdrawn nostro accounts	<u>443,141</u>	<u>4,106,849</u>
	<u>180,559,289</u>	<u>144,464,063</u>

17. DEPOSITS AND OTHER ACCOUNTS

	30 June 2020 (Un-Audited)			31 December 2019 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000					
Customers						
Current deposits (non-remunerative)	174,050,493	30,790,621	204,841,114	146,378,657	26,743,116	173,121,773
Savings deposits	145,773,190	21,733,206	167,506,396	135,390,427	19,016,742	154,407,169
Term deposits	158,427,539	44,545,643	202,973,182	165,375,671	55,096,182	220,471,853
Others	13,697,541	1,062	13,698,603	10,525,924	979	10,526,903
	<u>491,948,763</u>	<u>97,070,532</u>	<u>589,019,295</u>	<u>457,670,679</u>	<u>100,857,019</u>	<u>558,527,698</u>
Financial institutions						
Current deposits (non-remunerative)	1,374,181	1,471,611	2,845,792	1,354,816	1,019,552	2,374,368
Savings deposits	5,637,702	—	5,637,702	46,908,562	—	46,908,562
Term deposits	967,620	5,155	972,775	4,058,620	—	4,058,620
	<u>7,979,503</u>	<u>1,476,766</u>	<u>9,456,269</u>	<u>52,321,998</u>	<u>1,019,552</u>	<u>53,341,550</u>
	<u>499,928,266</u>	<u>98,547,298</u>	<u>598,475,564</u>	<u>509,992,677</u>	<u>101,876,571</u>	<u>611,869,248</u>

	Note	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
		Rupees in '000	
18. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		9,335,326	9,633,242
Mark-up / return / interest payable in foreign currencies		359,557	396,052
Unearned commission and income on bills discounted		136,127	200,295
Accrued expenses		1,253,323	819,184
Current taxation (provision less payments)		285,500	–
Acceptances		27,089,103	20,971,205
Unclaimed dividend		82,706	68,257
Mark to market loss on forward foreign exchange contracts		5,778,478	7,716,740
Provision for compensated absences		242,956	226,417
Deferred liability on defined benefit plan		230,668	112,513
Provision against off-balance sheet obligations	18.1	113,716	113,716
Workers' welfare fund	18.2	1,308,189	1,160,189
Charity fund		2,137	2,137
Excise duty payable		1,142	907
Locker deposits		834,772	817,043
Advance against diminishing musharaka		13,110	90,548
Advance rental for ijarah		1,777	1,859
Security deposits against leases / ijarah		232,910	205,188
Sundry creditors		683,292	425,001
Lease liability against right-of-use assets		4,262,906	3,826,950
Withholding tax / duties		244,275	400,373
Others		121,333	274,391
		<u>52,613,303</u>	<u>47,462,207</u>
18.1 Provision against off-balance sheet obligations			
Opening balance		113,716	113,716
Charge for the period / year		–	–
Closing balance		<u>113,716</u>	<u>113,716</u>

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

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

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

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

	Note	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
Rupees in '000			
19. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS			
Surplus / (deficit) on revaluation of			
- Non-banking assets		344,168	346,816
- Available-for-sale securities	9.1	13,484,214	(4,785,371)
		13,828,382	(4,438,555)
Less: Deferred tax on surplus / (deficit) on revaluation of			
- Non-banking assets		120,459	121,385
- Available-for-sale securities		4,719,475	(1,674,880)
		(4,839,934)	1,553,495
		8,988,448	(2,885,060)
20. CONTINGENCIES AND COMMITMENTS			
Guarantees	20.1	85,431,644	81,881,337
Commitments	20.2	508,765,819	661,159,612
Other contingent liabilities	20.3	4,786,680	25,646,157
		598,984,143	768,687,106
20.1 Guarantees			
Financial guarantees		26,535,439	27,956,898
Performance guarantees		56,719,480	40,518,388
Other guarantees		2,176,725	13,406,051
		85,431,644	81,881,337
20.2 Commitments			
Documentary credits and short-term trade-related transactions:			
Letters of credit		89,426,621	119,552,974
Commitments in respect of:			
Forward exchange contracts	20.2.1	416,994,648	538,997,600
Forward lendings	20.2.2	1,899,090	2,168,630
Acquisition of operating fixed assets		445,460	440,408
		508,765,819	661,159,612
20.2.1 Commitments in respect of forward exchange contracts			
Purchase		225,718,329	290,279,554
Sale		191,276,319	248,718,046
		416,994,648	538,997,600

20.2.2 Commitments in respect of forward lendings

The Bank has made commitments to extend credit in the normal course of its business, but none of these commitments are irrevocable and do not attract any penalty if the facility is unilaterally withdrawn, except for:

Note	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
	———— Rupees in '000 ————	————
Commitments in respect of syndicate financing	<u>1,899,090</u>	<u>2,168,630</u>

20.3 Other contingent liabilities

Claims against bank not acknowledged as debt		4,680,624	25,540,101
Foreign exchange repatriation case	20.3.1	<u>106,056</u>	<u>106,056</u>
		<u>4,786,680</u>	<u>25,646,157</u>

20.3.1 Foreign exchange repatriation case

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

21. DERIVATIVE FINANCIAL INSTRUMENTS

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

As per the Bank's policy, these contracts are reported on their fair value at the statement of financial position date. The gains and losses from revaluation of these contracts are included under "income from dealing in foreign currencies". Unrealised mark-to-market gains and losses due on these contracts are recorded on the statement of financial position under "other assets / other liabilities".

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

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

		Half year ended	
		30 June 2020	30 June 2019
		(Un-Audited)	
		Rupees in '000	
22.	MARK-UP / RETURN / INTEREST EARNED		
	Loans and advances	13,865,485	11,670,651
	Investments	25,194,409	15,763,737
	Lending with financial institutions	1,377,947	3,228,384
	Balance with other banks	19,559	11,229
		<u>40,457,400</u>	<u>30,674,001</u>
23.	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits	19,795,493	17,677,587
	Borrowings	6,818,060	2,238,787
	Foreign currency swap cost	2,861,721	1,923,332
	Lease liability against right-of-use assets	264,457	228,766
		<u>29,739,731</u>	<u>22,068,472</u>
24.	FEE & COMMISSION INCOME		
	Branch banking customer fees	258,880	251,094
	Credit related fees	19,276	30,298
	Card related fees	108,141	182,915
	Commission on trade	1,745,303	1,802,967
	Commission on guarantees	225,497	228,739
	Commission on remittances including home remittances	20,932	14,931
	Commission on bancassurance	56,854	57,548
	Others	36,992	39,958
		<u>2,471,875</u>	<u>2,608,450</u>
25.	GAIN / (LOSS) ON SECURITIES		
	Realised		
	Federal government securities	(71,090)	(725,310)
	Mutual funds	167,734	6,576
	Shares	7,488	-
	Term finance certificate, sukuk certificates and bonds	4,952	-
	Unrealised - held-for-trading		
	Federal government securities	40,038	-
		<u>149,122</u>	<u>(718,734)</u>
26.	OTHER INCOME		
	Rent on properties	7,141	19,143
	Gain on sale of fixed assets - net	9,046	9,526
	Gain on sale of ijarah assets - net	185	50
	Staff notice period and other recoveries	823	2,017
		<u>17,195</u>	<u>30,736</u>

27. OPERATING EXPENSES

	Half year ended	
	30 June 2020	30 June 2019
	(Un-Audited)	
	Rupees in '000	
Total compensation expense	3,168,000	2,874,394
Property expense		
Rent and taxes	201,495	155,018
Insurance	2,640	2,490
Utilities cost	184,344	167,345
Security	226,644	183,096
Repair and maintenance	161,037	129,361
Depreciation	591,079	549,820
	1,367,239	1,187,130
Information technology expenses		
Software maintenance	67,256	56,601
Hardware maintenance	82,023	68,954
Depreciation	94,320	71,342
Amortisation	35,847	59,774
Network charges	112,770	97,170
	392,216	353,841
Other operating expenses		
Directors' fees and allowances	5,443	5,698
Fees and allowances to Shariah Board	5,264	5,137
Legal & professional charges	49,173	73,770
Outsourced services costs	148,438	128,716
Travelling & conveyance	99,344	117,847
Operating lease rental	—	7,841
NIFT clearing charges	30,424	37,513
Depreciation	228,659	205,783
Depreciation - non-banking assets	5,731	5,577
Training and development	7,865	12,681
Postage and courier charges	41,325	44,773
Communication	51,187	49,423
Subscription	97,458	77,157
Repair and maintenance	55,005	48,629
Brokerage and commission	98,742	52,615
Stationery and printing	111,624	120,461
Marketing, advertisement and publicity	51,122	61,883
Management fee	247,272	202,554
Insurance	279,846	254,412
Donations	64,376	50,400
Auditors' remuneration	6,043	8,514
Others	229,120	190,547
	1,913,461	1,761,931
	<u>6,840,916</u>	<u>6,177,296</u>

	Note	Half year ended	
		30 June 2020	30 June 2019
		(Un-Audited)	
		Rupees in '000	
28. OTHER CHARGES			
Penalties imposed by the SBP		29,240	41,295
29. PROVISIONS & WRITE OFFS - NET			
Provision for diminution in value of investments - net	9.2.1	180,074	31,720
Provision / (reversal) of provision against loan & advances - net	10.3	1,431,024	(135,047)
Recovery of written off bad debts		(10,751)	(3,530)
		1,600,347	(106,857)
30. TAXATION			
Current		2,822,618	1,871,785
Prior year		-	300,548
Deferred		(93,223)	351,200
		2,729,395	2,523,533
31. BASIC AND DILUTED EARNINGS PER SHARE			
Profit after taxation		4,118,939	3,175,599
		Number in '000	
Weighted average number of ordinary shares		1,047,831	1,047,831
		Rupees	
Basic and diluted earnings per share		3.93	3.03

32. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than investments in subsidiaries and those classified as held-to-maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost.

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

32.1 Fair value of financial assets

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

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

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

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

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

On balance sheet financial instruments

		30 June 2020 (Un-Audited)			
	Carrying / notional value	Fair value			
		Level 1	Level 2	Level 3	Total
		Rupees in '000			
Financial assets measured at fair value					
- Investments					
- Held-for-trading securities					
Federal government securities	7,227,341	-	7,227,341	-	7,227,341
- Available-for-sale securities					
Federal government securities	434,037,224	-	434,037,224	-	434,037,224
Sukuk certificates and bonds	7,842,047	-	7,842,047	-	7,842,047
Ordinary shares of listed companies	862,897	862,897	-	-	862,897
Mutual funds - open end	563,387	-	563,387	-	563,387
- close end	7,302	7,302	-	-	7,302
Real estate investment trust	385,700	385,700	-	-	385,700
Listed term finance certificates	3,045,166	-	3,045,166	-	3,045,166
Unlisted term finance certificates	-	-	-	-	-
Financial assets not measured at fair value					
- Cash and balances with treasury banks	57,533,811	-	-	-	-
- Balances with other banks	7,924,546	-	-	-	-
- Lendings to financial institutions	1,700,000	-	-	-	-
- Investments					
- Held-to-maturity securities					
Federal government securities	36,107,395	-	-	-	-
Certificates of investments	1,700,000	-	-	-	-
- Subsidiaries					
Ordinary shares of unlisted companies	830,000	-	-	-	-
- Available-for-sale securities					
Ordinary shares of unlisted companies	55,444	-	-	-	-
- Advances	292,423,962	-	-	-	-
- Other assets	46,674,536	-	-	-	-
	898,920,758	1,255,899	452,715,165	-	453,971,064
Non-financial assets measured at fair value					
- Non-banking assets acquired in satisfaction of claim	758,329	-	758,329	-	758,329
Off-balance sheet financial instruments measured at fair value					
- Forward purchase of foreign exchange contracts	225,718,329	-	218,835,925	-	218,835,925
- Forward sale of foreign exchange contracts	191,276,319	-	196,758,885	-	196,758,885

On balance sheet financial instruments

	31 December 2019 (Audited)				
	Carrying / notional value	Fair value			Total
		Level 1	Level 2	Level 3	
		Rupees in '000			
Financial assets measured at fair value					
- Investments					
- Held-for-trading securities					
Federal government securities	-	-	-	-	-
- Available-for-sale securities					
Federal government securities	396,848,475	-	396,848,475	-	396,848,475
Sukuk certificates and bonds	6,109,534	-	6,109,534	-	6,109,534
Ordinary shares of listed companies	400,307	400,307	-	-	400,307
Mutual funds - open end	18,573	-	18,573	-	18,573
- close end	11,138	11,138	-	-	11,138
Real estate investment trust	442,368	442,368	-	-	442,368
Listed term finance certificates	3,095,455	-	3,095,455	-	3,095,455
Unlisted term finance certificates	8,559	-	8,559	-	8,559
Financial assets - disclosed not measured at fair value					
- Cash and balances with treasury banks	70,713,603	-	-	-	-
- Balances with other banks	1,865,528	-	-	-	-
- Lendings to financial institutions	22,197,303	-	-	-	-
- Investments					
- Held-to-maturity securities					
Federal government securities	36,089,874	-	-	-	-
Certificates of investments	5,000,000	-	-	-	-
- Subsidiaries					
Ordinary shares of unlisted companies	830,000	-	-	-	-
- Available-for-sale securities					
Ordinary shares of unlisted companies	55,444	-	-	-	-
- Advances	263,948,473	-	-	-	-
- Other assets	38,338,279	-	-	-	-
	845,972,913	853,813	406,080,596	-	406,934,409
Non-financial assets measured at fair value					
- Non-banking assets acquired in satisfaction of claim	764,060	-	764,060	-	764,060
Off-balance sheet financial instruments measured at fair value					
- Forward purchase of foreign exchange contracts	303,454,611	-	283,969,816	-	283,969,816
- Forward sale of foreign exchange contracts	260,497,060	-	245,666,261	-	245,666,261

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

Debt Securities	The fair value is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Reuters.
Forward contracts	The fair values are derived using forward exchange rates applicable to their respective remaining maturities.
Mutual funds	The fair value is determined based on the net asset values published at the close of each business day.

33. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	30 June 2020 (Un-Audited)			
	Trade & Sales	Retail Banking	Commercial Banking	Total
	Rupees in '000			
Profit & Loss				
Net mark-up / return / profit	17,612,818	(8,730,404)	1,835,255	10,717,669
Inter segment revenue - net	(14,547,128)	11,002,759	3,544,369	-
Non mark-up / return / interest income	(5,965)	111,962	4,643,171	4,749,168
Total Income	3,059,725	2,384,317	10,022,795	15,466,837
Segment direct expenses	(171,246)	-	-	(171,246)
Inter segment expense allocation	-	(2,025,193)	(4,821,717)	(6,846,910)
Total expenses	(171,246)	(2,025,193)	(4,821,717)	(7,018,156)
Provisions	(180,074)	3,868	(1,424,141)	(1,600,347)
Profit before tax	2,708,405	362,992	3,776,937	6,848,334
Balance Sheet				
Cash and bank balances	7,572,634	25,396,774	32,488,949	65,458,357
Investments	492,663,903	-	-	492,663,903
Lendings to financial institutions	1,700,000	-	-	1,700,000
Advances - performing	-	3,556,842	289,545,159	293,102,001
Advances - non-performing	-	10,433	17,199,893	17,210,326
Provision against advances	-	(14,270)	(17,874,095)	(17,888,365)
Net inter segment lending	-	262,842,550	109,707,850	372,550,400
Others	13,492,712	2,621,493	40,248,038	56,362,243
Total Assets	515,429,249	294,413,822	471,315,794	1,281,158,865
Borrowings	107,869,781	-	72,689,508	180,559,289
Subordinated debt	-	-	-	-
Deposits and other accounts	-	264,181,176	334,294,388	598,475,564
Net inter segment borrowing	372,550,400	-	-	372,550,400
Others	4,000,686	11,491,883	56,489,465	71,982,034
Total liabilities	484,420,867	275,673,059	463,473,361	1,223,567,287
Equity	31,008,382	18,740,763	7,842,433	57,591,578
Total Equity & liabilities	515,429,249	294,413,822	471,315,794	1,281,158,865
Contingencies & Commitments	416,994,648	-	181,989,495	598,984,143

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34. TRANSACTIONS WITH RELATED PARTIES

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

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

The details of transactions with related parties during the year are as follows:

	30 June 2020 (Un-Audited)						
	Holding company	Subsidiaries	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000						
Balances with other banks							
In current accounts	173,759	-	122,210	-	-	-	295,969
Investments							
Opening balance	-	5,830,000	-	-	-	-	5,830,000
Investment made during the period	-	2,850,000	-	-	-	-	2,850,000
Investment redeemed / disposed off during the period	-	(7,150,000)	-	-	-	-	(7,150,000)
Closing balance	-	1,530,000	-	-	-	-	1,530,000
Advances							
Opening balance	-	-	4,097,808	222,737	-	-	4,320,545
Addition during the period	-	-	15,612,622	6,989	-	-	15,619,611
Repaid during the period	-	-	(16,241,172)	(32,811)	-	-	(16,273,983)
Closing balance	-	-	3,469,258	196,915	-	-	3,666,173
Other Assets							
Mark-up / return / interest accrued	-	13,054	7,029	-	-	-	20,083
Prepayments / advance deposits / other receivable	-	-	12,313	-	-	-	12,313
	-	13,054	19,342	-	-	-	32,396
Deposits							
Opening balance	529,172	577,491	11,263,025	262,708	785,494	911,553	14,329,443
Received during the period	13,402,060	69,773,673	733,769,799	435,771	476,651	266,469	818,124,423
Withdrawn during the period	(13,420,639)	(69,629,257)	(728,110,527)	(431,701)	(747,302)	(415,311)	(812,754,737)
Closing balance	510,593	721,907	16,922,297	266,778	514,843	762,711	19,699,129
Other Liabilities							
Mark-up / return / interest payable	-	5,466	395,733	2,055	2,860	622,571	1,028,685
Management fee payable for technical and consultancy services*	364,485	-	-	-	-	-	364,485
Other payables	-	-	12,350	-	-	195,356	207,706
	364,485	5,466	408,083	2,055	2,860	817,927	1,600,876
Contingencies & commitments							
Transaction-related contingent liabilities	-	-	8,936,920	-	-	-	8,936,920
Trade-related contingent liabilities	-	-	2,066,795	-	-	-	2,066,795
	-	-	11,003,715	-	-	-	11,003,715

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

31 December 2019 (Audited)

	Holding company	Subsidiaries	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000						
Balances with other banks							
In current accounts	111,070	–	79,224	–	–	–	190,294
Investments							
Opening balance	–	5,830,000	–	–	–	–	5,830,000
Investment made during the year	–	19,700,000	–	–	–	–	19,700,000
Investment redeemed / disposed off during the year	–	(19,700,000)	–	–	–	–	(19,700,000)
Closing balance	–	5,830,000	–	–	–	–	5,830,000
Advances							
Opening balance	–	31,606	2,787,011	115,507	–	–	2,934,124
Addition during the year	–	–	35,108,556	133,279	–	–	35,241,835
Repaid during the year	–	(31,606)	(33,797,759)	(26,049)	–	–	(33,855,414)
Closing balance	–	–	4,097,808	222,737	–	–	4,320,545
Other assets							
Mark-up / return / interest accrued	–	97,528	14,298	–	–	–	111,826
Prepayments / advance deposits / other receivables	–	–	5,604	–	–	–	5,604
	–	97,528	19,902	–	–	–	117,430
Borrowings							
Opening balance	8,823	–	–	–	–	–	8,823
Borrowings during the year	–	–	–	–	–	–	–
Settled during the period	(8,823)	–	–	–	–	–	(8,823)
Closing balance	–	–	–	–	–	–	–
Deposits							
Opening balance	396,056	972,640	16,332,024	163,874	731,175	3,661,606	22,257,375
Received during the year	12,533,574	132,621,300	1,567,384,846	1,869,293	2,171,678	8,245,283	1,724,825,974
Withdrawn during the year	(12,400,458)	(133,016,449)	(1,572,453,845)	(1,770,459)	(2,117,359)	(10,995,336)	(1,732,753,906)
Closing balance	529,172	577,491	11,263,025	262,708	785,494	911,553	14,329,443
Other liabilities							
Mark-up / return / interest payable	–	4,558	369,452	2,960	6,541	568,494	952,005
Management fee payable for technical and consultancy services*	188,163	–	–	–	–	–	188,163
Other payables	–	–	6,332	–	–	112,513	118,845
	188,163	4,558	375,784	2,960	6,541	681,007	1,259,013
Contingencies & commitments							
Transaction-related contingent liabilities	–	–	8,166,062	–	–	–	8,166,062
Trade-related contingent liabilities	–	–	1,387,860	–	–	–	1,387,860
	–	–	9,553,922	–	–	–	9,553,922

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

Transactions during the period

	For the period ended 30 June 2020 (Un-Audited)					
	Holding company	Subsidiaries	Associates	Key management personnel	Directors	Retirement benefit plans
	Rupees in '000					
Income						
Mark-up / return / interest earned	–	149,152	68,155	6,489	–	–
Fee and commission income	1,741	333	162,882	–	16	–
Rent income	2,808	2,162	–	–	–	–
Expense						
Mark-up / return / interest expensed	–	34,949	474,620	11,127	33,885	62,599
Commission / brokerage / bank charges paid	425	–	702	–	–	–
Salaries and allowances	–	–	–	261,553	–	–
Directors' fees and allowances	–	–	–	–	5,443	–
Charge to defined benefit plan	–	–	–	–	–	86,655
Contribution to defined contribution plan	–	–	–	–	–	105,798
Rent expenses	–	–	7,344	–	–	–
Insurance premium expenses	–	–	6,066	–	–	–
Maintenance, electricity, stationery & entertainment expenses	–	–	50,240	–	–	–
Management fee expense for technical and consultancy services *	247,272	–	–	–	–	–
Donation	–	–	11,960	–	–	–
Professional / other charges	–	–	1,842	–	–	–

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

Transactions during the period

	For the period ended 30 June 2019 (Un-Audited)					
	Holding company	Subsidiaries	Associates	Key management personnel	Directors	Retirement benefit plans
	Rupees in '000					
Income						
Mark-up / return / interest earned	–	234,601	71,462	5,051	–	–
Fee and commission income	2,437	914	108,329	–	20	–
Rent income	2,808	2,120	–	–	–	–
Expenses						
Mark-up / return / interest expensed	–	20,324	746,672	11,755	32,030	211,763
Commission / brokerage / bank charges paid	273	295	613	–	–	–
Salaries and allowances	–	–	–	252,000	–	–
Directors' fees and allowances	–	–	–	–	5,698	–
Charge to defined benefit plan	–	–	–	–	–	85,486
Contribution to defined contribution plan	–	–	–	–	–	96,826
Operating lease rentals / rent expenses	–	7,841	6,963	–	–	–
Insurance premium expenses	–	–	6,328	–	–	–
Maintenance, electricity, stationery & entertainment expenses	–	–	45,075	–	–	–
Management fee expense for technical and consultancy services *	202,554	–	–	–	–	–
Donation	–	–	7,960	–	–	–
Professional / other charges	–	–	1,564	–	–	–

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

35. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
	Rupees in '000	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	10,478,315	10,478,315
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) capital	48,379,430	43,786,789
Eligible Additional Tier 1 (ADT 1) capital	–	–
Total eligible tier 1 capital	48,379,430	43,786,789
Eligible tier 2 capital	11,458,942	1,621,537
Total eligible capital (tier 1 + tier 2)	59,838,372	45,408,326
Risk Weighted Assets (RWAs):		
Credit risk	271,883,924	267,526,564
Market risk	3,181,773	1,694,641
Operational risk	42,106,000	42,106,000
Total	317,171,697	311,327,205
CET 1 capital adequacy ratio	15.25%	14.06%
Tier 1 capital adequacy ratio	15.25%	14.06%
Total capital adequacy ratio	18.87%	14.59%
Minimum capital requirements prescribed by SBP		
CET 1 capital adequacy ratio	6.00%	6.00%
Tier 1 capital adequacy ratio	7.50%	7.50%
Total capital adequacy ratio	11.50%	12.50%

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

Leverage Ratio (LR):		
Eligible tier-1 capital	48,379,430	43,786,789
Total exposures	1,124,321,192	1,093,901,591
Leverage ratio	4.30%	4.00%
Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	369,426,607	343,412,746
Total net cash outflow	173,009,429	174,022,506
Liquidity coverage ratio	214%	197%
Net Stable Funding Ratio (NSFR):		
Total available stable funding	544,852,816	494,729,185
Total required stable funding	298,367,737	290,546,266
Net stable funding ratio	183%	170%

36. ISLAMIC BANKING BUSINESS

The Bank is operating 31 (31 December 2019: 31) islamic banking branches and 224 (31 December 2019: 222) islamic banking windows at the end of the period.

	Note	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks		4,239,402	5,696,506
Balances with other banks		-	-
Due from financial institutions	36.1	1,700,000	22,197,303
Investments	36.2	27,670,734	14,718,222
Islamic financing and related assets - net	36.3	29,593,569	22,425,248
Fixed assets	36.4	467,740	522,276
Intangible assets		-	-
Due from head office		4,671,289	3,950,351
Other assets		3,166,043	2,825,100
		71,508,777	72,335,006
LIABILITIES			
Bills payable		899,073	718,549
Due to financial institutions		8,510,839	4,275,353
Deposits and other accounts	36.5	54,237,717	61,261,923
Due to head office		-	-
Subordinated debt		-	-
Other liabilities	36.4	2,331,139	1,980,357
		65,978,768	68,236,182
NET ASSETS		5,530,009	4,098,824
REPRESENTED BY			
Islamic banking fund		5,504,201	3,003,871
Reserves		-	-
(Deficit) / surplus on revaluation of assets		(478,568)	6,920
Unappropriated profit	36.9	504,376	1,088,033
		5,530,009	4,098,824
CONTINGENCIES AND COMMITMENTS	36.6		

The profit and loss account of the Bank's Islamic banking branches for the half year ended 30 June 2020 is as follows:

	Note	Half year ended	
		30 June 2020	30 June 2019
		(Un-Audited)	
		Rupees in '000	
Profit / return earned	36.7	2,794,517	2,233,982
Profit / return expensed	36.8	(2,078,558)	(1,391,970)
Net profit / return		715,959	842,012
Other income			
Fee and commission income		92,458	72,800
Dividend income		23,400	—
Foreign exchange income		46,933	19,146
Income / (loss) from derivatives		—	—
Gain / (loss) on securities		166,814	415
Other income		13,848	10,467
Total other income		343,453	102,828
Total Income		1,059,412	944,840
Other expenses			
Operating expenses		356,270	332,699
Workers' welfare fund		—	—
Other charges		—	85
Total other expenses		356,270	332,784
Profit before provisions		703,142	612,056
Provisions and write offs - net		(198,766)	(127)
Profit before taxation		504,376	611,929

36.1 Due from Financial Institutions

	30 June 2020 (Un-Audited)			31 December 2019 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000					
Unsecured						
Musharaka	1,700,000	—	1,700,000	14,690,000	—	14,690,000
Bai-muajjal receivable from State Bank of Pakistan	—	—	—	7,507,303	—	7,507,303
	<u>1,700,000</u>	<u>—</u>	<u>1,700,000</u>	<u>22,197,303</u>	<u>—</u>	<u>22,197,303</u>

36.2 Investments by segments:

	30 June 2020 (Unaudited)				31 December 2019 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Rupees in '000							
Federal Government Securities:								
- Ijarah Sukuks	16,000,000	-	(480,000)	15,520,000	-	-	-	-
- Bai-muajjal	3,608,688	-	-	3,608,688	3,608,688	-	-	3,608,688
	19,608,688	-	(480,000)	19,128,688	3,608,688	-	-	3,608,688
Non-Government Debt Securities								
- Listed	7,171,050	-	1,119	7,172,169	5,378,650	-	2,901	5,381,551
- Unlisted	1,369,564	-	313	1,369,877	5,723,964	-	4,019	5,727,983
	8,540,614	-	1,432	8,542,046	11,102,614	-	6,920	11,109,534
Total investments	28,149,302	-	(478,568)	27,670,734	14,711,302	-	6,920	14,718,222

36.3 Islamic financing and related assets - net

	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
	Rupees in '000	
Ijarah	317,669	385,320
Murabaha	5,858,753	7,754,898
Working capital musharaka	5,260,835	2,642,396
Diminishing musharaka	4,931,703	3,631,076
Istisna	660,720	569,445
Diminishing musharaka - islamic long term financing facility	438,620	-
Export refinance working capital musharaka	1,020,000	-
Export refinance murabaha	630,168	987,965
Export refinance istisna	1,020,000	872,438
Al-bai financing	572,368	637,706
Advances against:		
Ijarah	85,908	80,714
Diminishing musharaka - islamic long term financing facility	656,144	-
Diminishing musharaka - islamic refinance scheme for payment of wages and salaries	692,701	-
Diminishing musharaka - islamic financing facility for storage of agricultural produce	124,354	-
Murabaha	241,016	574,988
Diminishing musharaka	196,703	1,969,374
Salam	199,374	-
Istisna	1,724,441	993,202
Export refinance murabaha	18,346	13,165
Export refinance istisna	5,411,800	1,911,104
Inventory related to		
Al-bai goods	338,059	-
Istisna goods	15,000	23,803
Gross islamic financing and related assets	30,414,682	23,047,594
Provision against non-performing islamic financing	(821,113)	(622,346)
Islamic financing and related assets - net of provision	29,593,569	22,425,248

36.4 Fixed assets and other liabilities

At 30 June 2020, fixed assets include right-of-use assets of Rs. 412,987 thousand (31 December 2019: Rs. 457,832 thousand) and other liabilities include related lease liability of Rs. 462,267 thousand (31 December 2019: Rs. 471,290 thousand).

	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
	Rupees in '000	

36.5 Deposits

Customers

Current deposits	16,274,002	15,229,020
Savings deposits	20,151,666	21,852,586
Term deposits	16,667,099	19,614,334
	<u>53,092,767</u>	<u>56,695,940</u>

Financial Institutions

Current deposits	35,112	851
Savings deposits	1,109,838	4,040,132
Term deposits	—	525,000
	<u>1,144,950</u>	<u>4,565,983</u>
	<u>54,237,717</u>	<u>61,261,923</u>

36.6 Contingencies and commitments

Guarantees	6,839,284	4,646,271
Commitments	<u>7,015,466</u>	<u>4,175,877</u>
	<u>13,854,750</u>	<u>8,822,148</u>

Half year ended

	30 June 2020 (Un-Audited)	30 June 2019
	Rupees in '000	

36.7 Profit / return earned of financing, investments and placement

Profit earned on:

Financing	1,169,537	883,347
Investments	1,194,691	934,253
Placements	430,289	416,382
	<u>2,794,517</u>	<u>2,233,982</u>

36.8 Profit on deposits and other dues expensed

Deposits and other accounts	1,978,957	1,328,808
Due to financial institutions	70,384	28,491
Discount expense on lease liability against right-of-use assets	29,217	34,671
	<u>2,078,558</u>	<u>1,391,970</u>

	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
	Rupees in '000	
36.9 Unappropriated profit		
Opening balance	1,088,033	446,464
Add: Islamic banking profit for the period / year	504,376	1,088,033
Less: Transferred to head office	(1,088,033)	(446,464)
Closing balance	<u>504,376</u>	<u>1,088,033</u>

37. GENERAL

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

37.2 Corresponding figures have been re-classified, re-arranged or additionally incorporated in these unconsolidated condensed interim financial statements wherever necessary to facilitate comparison and better presentation.

38. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on 18 August 2020 by the Board of Directors of the Bank.



Habib Metropolitan Bank Ltd.

[Subsidiary of Habib Bank AG Zurich]

Consolidated Accounts for the half year
and quarter ended 30 June 2020
(Un-audited)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	6	57,534,085	70,713,833
Balances with other banks	7	8,325,699	2,691,101
Lendings to financial institutions	8	1,700,000	22,197,303
Investments	9	491,517,350	443,526,749
Advances	10	301,337,909	273,592,854
Fixed assets	11	8,708,765	8,381,391
Intangible assets	12	132,847	108,370
Deferred tax assets	13	–	3,710,134
Other assets	14	47,792,674	40,108,379
		<u>917,049,329</u>	<u>865,030,114</u>

LIABILITIES

Bills payable	15	16,791,062	11,541,474
Borrowings	16	185,139,021	145,812,010
Deposits and other accounts	17	597,766,772	611,259,968
Liabilities against assets subject to finance lease		–	–
Sub-ordinated debts		–	–
Deferred tax liabilities	13	2,581,000	–
Other liabilities	18	53,485,356	48,587,058
		<u>855,763,211</u>	<u>817,200,510</u>
NET ASSETS		<u>61,286,118</u>	<u>47,829,604</u>

REPRESENTED BY

Share capital		10,478,315	10,478,315
Reserves		18,530,075	17,706,354
Surplus / (deficit) on revaluation of assets - net of tax	19	8,989,833	(2,873,134)
Unappropriated profit		19,919,093	19,224,491
		<u>57,917,316</u>	<u>44,536,026</u>
Non-controlling interest		3,368,802	3,293,578
		<u>61,286,118</u>	<u>47,829,604</u>

CONTINGENCIES AND COMMITMENTS

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

FUZAIL ABBAS
Chief Financial Officer

MOHSIN A. NATHANI
President &
Chief Executive Officer

FIRASAT ALI
Director

RASHID AHMED JAFER
Director

MOHAMEDALI R. HABIB
Chairman

**CONSOLIDATED CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2020**

	Note	30 June 2020		30 June 2019	
		Quarter ended	Half year ended	Quarter ended (Restated)	Half year ended
Rupees in '000					
Mark-up / return / interest earned	22	20,035,537	40,908,249	16,853,190	31,019,780
Mark-up / return / interest expensed	23	(13,534,569)	(29,925,237)	(12,495,879)	(22,147,026)
Net mark-up / interest income		6,500,968	10,983,012	4,357,311	8,872,754
NON MARK-UP / INTEREST INCOME					
Fee and commission income	24	1,142,197	2,496,970	1,339,599	2,626,017
Dividend income		75,768	112,669	21,332	45,839
Foreign exchange income		1,224,531	2,006,532	901,088	1,358,716
Income / (loss) from derivatives		—	—	—	—
Gain / (loss) on securities	25	44,417	149,122	(730,259)	(719,681)
Other income	26	12,075	22,552	16,864	35,539
Total non mark-up / interest income		2,498,988	4,787,845	1,548,624	3,346,430
Total income		8,999,956	15,770,857	5,905,935	12,219,184
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	27	3,397,793	6,960,093	3,174,106	6,280,949
Workers' welfare fund		83,289	151,473	51,847	113,676
Other charges	28	22,836	29,240	40,581	41,295
Total non-mark-up / interest expenses		(3,503,918)	(7,140,806)	(3,266,534)	(6,435,920)
Profit before provisions		5,496,038	8,630,051	2,639,401	5,783,264
(Provisions) / reversal and write offs - net	29	(1,118,963)	(1,603,089)	240,485	106,857
Extra ordinary / unusual items		—	—	—	—
PROFIT BEFORE TAXATION		4,377,075	7,026,962	2,879,886	5,890,121
Taxation	30	(1,724,987)	(2,736,367)	(1,080,985)	(2,530,380)
PROFIT AFTER TAXATION		2,652,088	4,290,595	1,798,901	3,359,741
PROFIT ATTRIBUTABLE TO:					
Equity shareholders of the holding company		2,603,513	4,156,722	1,723,240	3,201,002
Non-controlling interest		48,575	133,873	75,661	158,739
		2,652,088	4,290,595	1,798,901	3,359,741
Rupees					
Basic and diluted earnings per share	31	2.48	3.97	1.64	3.05

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

FUZAIL ABBAS
Chief Financial Officer

MOHSIN A. NATHANI
President &
Chief Executive Officer

FIRASAT ALI
Director

RASHID AHMED JAFER
Director

MOHAMEDALI R. HABIB
Chairman

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**
FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2020

	30 June 2020		30 June 2019	
	Quarter ended	Half year ended	Quarter ended (Restated)	Half year ended
	Rupees in '000			
Profit after taxation	2,652,088	4,290,595	1,798,901	3,359,741
Other comprehensive income				
Items that may be reclassified to profit and loss in subsequent periods:				
Effect of translation of net investment in an offshore branch	136	(67)	–	–
Movement in surplus / (deficit) on revaluation of investments - net of tax	5,010,283	11,806,040	(1,114,405)	(562,840)
Items that will not be reclassified to profit and loss in subsequent periods:				
Remeasurement gain / (loss) on defined benefit obligations - net of tax	5,142	(20,475)	(2,460)	16,418
Total comprehensive income	7,667,649	16,076,093	682,036	2,813,319
Equity shareholders of the holding company	7,686,928	16,000,869	624,039	2,660,819
Non-controlling interest	(19,279)	75,224	57,997	152,500
	7,667,649	16,076,093	682,036	2,813,319

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

FUZAIL ABBAS
Chief Financial Officer

MOHSIN A. NATHANI
President &
Chief Executive Officer

FIRASAT ALI
Director

RASHID AHMED JAFER
Director

MOHAMEDALI R. HABIB
Chairman

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2020**

	Reserves						Surplus / (deficit) on revaluation		Un- appropriated profit	Sub total	Non- controlling interest	Total
	Share capital	Exchange translation reserve	Share premium	Statutory reserve	Special reserve	Revenue reserve	Investments	Non- banking assets				
	Rupees in '000											
Balance as at 1 January 2019	10,478,315	-	2,550,985	12,080,082	240,361	1,500,000	(5,741,590)	179,461	15,950,329	37,237,943	3,214,407	40,452,350
Profit after taxation	-	-	-	-	-	-	-	-	3,201,002	3,201,002	158,739	3,359,741
Other comprehensive income - net of tax	-	-	-	-	-	-	(556,601)	-	16,418	(540,183)	(6,239)	(546,422)
Total comprehensive income for the period	-	-	-	-	-	-	(556,601)	-	3,217,420	2,660,819	152,500	2,813,319
Transfer to statutory reserve	-	-	-	635,120	-	-	-	-	(635,120)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(1,424)	1,424	-	-	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend (Rs.200 per share) for the year ended 31 December 2018	-	-	-	-	-	-	-	-	(2,095,663)	(2,095,663)	-	(2,095,663)
Balance as at 30 June 2019	10,478,315	-	2,550,985	12,715,202	240,361	1,500,000	(6,298,191)	178,037	16,438,390	37,803,099	3,366,907	41,170,006
Profit after taxation	-	-	-	-	-	-	-	-	3,444,510	3,444,510	157,495	3,602,005
Other comprehensive income - net of tax	-	28	-	-	-	-	3,199,626	48,840	39,923	3,288,417	25,667	3,314,084
Total comprehensive income for the period	-	28	-	-	-	-	3,199,626	48,840	3,484,433	6,723,927	183,162	6,916,089
Transfer to statutory reserve	-	-	-	699,778	-	-	-	-	(699,778)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(1,446)	1,446	-	-	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Profit distribution by First Habib Modaraba (Rs. 1.40 per certificate) for the period ended 30 June 2019	-	-	-	-	-	-	-	-	-	-	(254,016)	(254,016)
Profit distribution by Habib Metropolitan Modaraba (Rs. 0.275 per certificate) for the period ended 30 June 2019	-	-	-	-	-	-	-	-	-	-	(2,475)	(2,475)
Balance as at 31 December 2019	10,478,315	28	2,550,985	13,414,980	240,361	1,500,000	(3,098,565)	225,431	19,224,491	44,536,026	3,293,578	47,829,604
Profit after taxation	-	-	-	-	-	-	-	-	4,156,722	4,156,722	133,873	4,290,595
Other comprehensive income - net of tax	-	(67)	-	-	-	-	11,864,689	-	(20,475)	11,844,147	(58,649)	11,785,498
Total comprehensive income for the period	-	(67)	-	-	-	-	11,864,689	-	4,136,247	16,000,869	75,224	16,076,093
Transfer to statutory reserve	-	-	-	823,788	-	-	-	-	(823,788)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(1,722)	1,722	-	-	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend (Rs. 250 per share) for the year ended 31 December 2019	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)	-	(2,619,579)
Balance as at 30 June 2020	10,478,315	(39)	2,550,985	14,238,768	240,361	1,500,000	8,766,124	223,709	19,919,093	57,917,316	3,368,802	61,286,118

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

FUZAIL ABBAS
Chief Financial Officer

MOHSIN A. NATHANI
President &
Chief Executive Officer

FIRASAT ALI
Director

RASHID AHMED JAFER
Director

MOHAMEDALI R. HABIB
Chairman

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2020

	Note	30 June 2020	31 June 2019
		Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		7,026,962	5,890,121
Less: Dividend income		(112,669)	(45,839)
		<u>6,914,293</u>	<u>5,844,282</u>
Adjustments			
Depreciation on operating fixed assets		538,592	478,948
Depreciation on right-of-use assets		385,369	354,141
Depreciation on non banking assets		5,731	5,577
Amortization		35,981	59,922
Mark-up / return / interest expensed on lease liability against right-of-use assets		265,639	228,766
Provisions / (reversals) and write offs excluding recovery of written off bad debts	29	1,613,840	(103,327)
Unrealised gain on securities - held-for-trading		(40,038)	-
Net gain on sale of fixed assets		(9,114)	(9,526)
Provision against workers' welfare fund		151,473	113,676
Provision against compensated absences		23,757	26,708
Provision against defined benefit plan		88,616	86,769
		<u>3,059,846</u>	<u>1,241,654</u>
		<u>9,974,139</u>	<u>7,085,936</u>
(Increase) / decrease in operating assets			
Lendings to financial institutions		20,497,303	(9,163,465)
Advances		(29,176,079)	(46,582,596)
Other assets (excluding current taxation and including non-banking assets)		(2,410,401)	(15,201,995)
		<u>(11,089,177)</u>	<u>(70,948,056)</u>
Increase / (decrease) in operating liabilities			
Bills payable		5,249,588	2,190,339
Borrowings from financial institutions		42,990,719	97,649,333
Deposits and other accounts		(13,493,196)	48,882,839
Other liabilities (excluding current taxation)		(2,032,040)	9,300,125
		<u>32,715,071</u>	<u>158,022,636</u>
		<u>31,600,033</u>	<u>94,160,516</u>
Payment against compensated absences		(7,218)	(16,347)
Payment against workers' welfare fund		(13,998)	-
Contribution paid to defined benefit plan		(776)	(3,040)
Income tax paid		(1,906,950)	(2,559,449)
		<u>(1,906,950)</u>	<u>(2,559,449)</u>
		<u>29,671,091</u>	<u>91,581,680</u>
Net cash flow from operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in held-for-trading securities		(7,187,303)	-
Net investments in available-for-sale securities		(21,725,400)	(53,661,776)
Net investments in held-to-maturity securities		(1,017,521)	(8,850)
Dividend received		111,691	16,172
Investments in fixed assets		(718,852)	(746,848)
Investments in intangibles assets		(60,391)	(7,420)
Proceeds from sale of fixed assets		12,107	14,443
Effect of translation of net investment in an offshore branch		(67)	-
		<u>(30,585,736)</u>	<u>(54,394,279)</u>
Net cash flow from investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(2,605,407)	(1,297,826)
Payment of lease against right-of-use assets		(361,390)	(351,730)
		<u>(2,966,797)</u>	<u>(1,649,556)</u>
Net cash flow from financing activities			
Increase in cash and cash equivalents		(3,881,442)	35,537,845
Cash and cash equivalents at beginning of the period / year		<u>69,298,085</u>	<u>46,905,159</u>
Cash and cash equivalents at end of the period / year		<u>65,416,643</u>	<u>82,443,004</u>

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

FUZAIL ABBAS Chief Financial Officer	MOHSIN A. NATHANI President & Chief Executive Officer	FIRASAT ALI Director	RASHID AHMED JAFER Director	MOHAMEDALI R. HABIB Chairman
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NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2020

1. STATUS AND NATURE OF BUSINESS

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

Holding Company

Habib Metropolitan Bank Limited (the Bank) was incorporated in Pakistan on 3 August 1992, as a public limited company, under the Companies Ordinance, 1984 (now Companies Act, 2017) and is engaged in commercial banking and related services. Its shares are listed on the Pakistan Stock Exchange. The holding company operates 368 (31 December 2019: 362) branches, including 31 (31 December 2019: 31) Islamic banking branches and an offshore branch (Karachi Export Processing Zone branch), and 30 (31 December 2019: 30) sub branches in Pakistan. The holding company is a subsidiary of Habib Bank AG Zurich - Switzerland (the ultimate parent company with 51% shares in the holding company) which is incorporated in Switzerland. The registered office of the holding company is situated at Spencer's Building, II Chundrigar Road, Karachi.

Subsidiary Companies

Habib Metropolitan Financial Services Limited - 100% holding

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

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

Habib Metropolitan Modaraba Management Company (Private) Limited (Modaraba management company) was incorporated in Pakistan on 01 June 2015 as a private limited under the Companies Ordinance, 1984 (now Companies Act, 2017) and Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The registered office of the subsidiary company is located at 6th Floor, HBZ Plaza, II Chundrigar Road, Karachi.

First Habib Modaraba - 10% holding

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

Habib Metro Modaraba - 70% holding

Habib Metro Modaraba (HMM) which is a perpetual, multi-purpose modaraba having its registered office at 3rd Floor, Al-Manzoor Building, Dr. Ziauddin Ahmed Road, Karachi. HMM's primary business activities are residual value car financing and provision of finance for solar power solutions on the basis of Ijarah / rental / musharka or any other approved modes of financing. The holding company and the Modaraba Management Company own 60% and 10% of the certificates of HMM respectively.

2. BASIS OF PRESENTATION

- 2.1 These consolidated condensed interim financial statements comprise the financial statements of the holding company and its subsidiary companies. The financial statements of the subsidiary companies have been prepared for the same reporting period as the holding company using consistent accounting policies.

2.2 Statement of Compliance

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

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

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of the IAS 34 or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The SBP vide BSD Circular No. 10, dated 26 August 2002 has deferred the applicability of International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement" and IAS 40 "Investment Property" for banking companies till further instructions. Further, according to a notification of the Securities and Exchange Commission of Pakistan (SECP) through S.R.O. No. 411 (1) / 2008 dated 28 April 2008, IFRS 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

The Securities and Exchange Commission of Pakistan (SECP) has notified Islamic Financial Accounting Standard (IFAS) 3, 'Profit and Loss Sharing on Deposits' issued by the Institute of Chartered Accountants of Pakistan. IFAS 3 shall be followed with effect from the financial periods beginning on or after 1 January 2014 in respect of accounting for transactions relating to 'Profit and Loss Sharing on Deposits' as defined by the said standard. The standard has resulted in certain new disclosures in the financial statements of the Bank. The SBP through BPRD Circular Letter No. 4 dated 25 February 2015, has deferred the applicability of IFAS 3 till further instructions and prescribed the Banks to prepare their annual and periodical financial statements as per existing prescribed formats.

The disclosures made in these consolidated condensed interim financial statements have been based on a format prescribed by the SBP vide BPRD Circular Letter No. 5 dated 22 March 2019 and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2019.

3. SIGNIFICANT ACCOUNTING POLICY

The significant accounting policies and method of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the audited consolidated financial statements of the Group for the year ended 31 December 2019.

3.1 Amendments to approved accounting standards that are effective in the current period

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after 1 January 2019 but are considered not to be relevant or do not have any significant effect on the Group's operations and therefore not detailed in these consolidated condensed interim financial statements.

3.2 Standards, interpretations of and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current year.

There are various standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not effective in the current year. These are not likely to have material effect on the Group's financial statements except for the following:

IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation – for Banks and DFIs, the effective date of the standard has been extended to annual periods beginning on or after 1 January 2021 by the State Bank of Pakistan. IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements are the same as that applied in the preparation of the audited consolidated financial statements for the year ended 31 December 2019.

5. RISK MANAGEMENT

The Group's risk management policies are the same as disclosed in the financial statements for the year ended 31 December 2019.

The COVID-19 will have a major impact on global economy. Governments and regulators across the globe have introduced fiscal and economic stimulus measures to mitigate its impact. The Government of Pakistan and State Bank of Pakistan have taken various fiscal and regulatory measures to sustain economic activity and to maintain banking system soundness which include the following:

- Reduction in the Policy Rate by 625 basis points since the beginning of the year;
- Reduction in the capital conservation buffer by 100 basis points to 1.5%;
- Increasing the regulatory limit on extension of credit to SMEs to Rs 180 million;
- Relaxing the debt burden ratio for consumer loans from 50% to 60%;
- Allowing banks to defer borrowers' principal loan payments by one year and / or restructure / reschedule loans for borrowers who require relief of principal repayment exceeding one year and / or mark-up with no reflection on credit history; and
- Introduction of refinancing schemes for payment of wages and salaries.

COVID-19 will impact banks in Pakistan on a number of fronts including increase in overall credit risk pertaining to the loans and advances portfolio, reduced fee income due to overall slowdown in economic activity, continuity of business operations and managing cybersecurity threat as a significant number of the Group's staff is working from home and an ever increasing number of customers are being encouraged to use digital channels.

Credit Risk

All credit approvals relating to SBP COVID-19 measures are being reviewed on regular basis as per the prescribed format. Further, evaluation of all the requests are being made with the industry analysis especially geared to assess the impact of COVID-19 on the relevant industry.

Due to the ongoing pandemic credit reviews are being conducted as and when required in order to take adequate steps to identify potential defaults and come up with mitigation strategies.

Liquidity Risk

Liquidity position of the Group remained strong in spite of approving deferment requests of principal & restructured loan, in line with SBP directives. HabibMetro's strong deposit base backed by continued customer confidence and significant holding of government securities has enabled the Group to maintain a robust liquidity profile.

The Asset and Liability Committee (ALCO) of the holding company is also continuously monitoring the liquidity position and the holding company is confident that the current liquidity buffer is sufficient to cater to any adverse movement in the cash flow maturity profile.

Equity Risk

In order to dampen the effects of COVID -19, SBP has allowed banks to recognize impairment loss, if any, resulting from the valuation of listed equity securities held as "Available-for-Sale" (AFS), in phased manner equally on quarterly basis during calendar year ending on 31 December 2020. However, SBP also encouraged the Banks for early recognition of full impairment loss. The Group has fully recognized the impairment on listed equity securities portfolio.

Operational Risk

In response to the pandemic, the Group invoked its Organizational Business Continuity Plan. The plan's primary objective was to assure that all safety and precautionary measures were adopted, safeguarding the staff and customers of the Group. These include rationalizing staff head count at office to ensure social distancing and maintaining healthy work force as backup. At all office locations availability of sanitizers, masks and other protection equipment and regular disinfection of locations were ensured.

From the operational perspective, the measures adopted by the Group include execution of BCP sites and implementation of the work from home strategy to facilitate split working locations thereby ensuring continuity of the Group's operations. Further to ensure uninterrupted availability of financial services to its customers, enhancements were made in the digital / alternate delivery channels allowing customer to execute business transactions without physical interactions.

Capital Adequacy Ratio

In order to encourage Banks to continue lending despite anticipated pressure on profits and credit risk, the SBP has relaxed the Capital Conversion Buffer (CCB) requirements to 1.5%, resulting in a 1% decline in CAR requirements for all Tiers.

As of 30 June 2020, the Group's CAR provides sufficient cushion over the minimum requirement.

	Note	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
		Rupees in '000	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		7,777,766	7,400,405
Foreign currencies		2,192,739	1,289,049
		<u>9,970,505</u>	<u>8,689,454</u>
With State Bank of Pakistan in			
Local currency current account		25,131,438	37,267,827
Foreign currency current account		204,192	64,248
Foreign currency deposit accounts			
- cash reserve account		5,860,765	5,663,551
- special cash reserve account		11,258,403	16,348,050
		<u>42,454,798</u>	<u>59,343,676</u>
With National Bank of Pakistan in			
Local currency current accounts		5,091,895	2,558,634
National Prize Bonds		16,887	122,069
		<u>57,534,085</u>	<u>70,713,833</u>
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		26,528	146,760
In deposit accounts		726,537	1,135,605
		<u>753,065</u>	<u>1,282,365</u>
Outside Pakistan			
In current accounts		7,572,634	1,408,736
		<u>8,325,699</u>	<u>2,691,101</u>
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Musharaka placements	8.1	1,700,000	7,190,000
Bai-muajjal receivable with the State Bank of Pakistan		-	7,507,303
Letter of placement		-	7,500,000
		<u>1,700,000</u>	<u>22,197,303</u>

8.1 These carry profit / return rate from 7.5% to 8.0% (2019: 8% to 12.15%) per annum with maturity upto 7 July 2020 (2019: 3 February 2020).

9. INVESTMENTS

9.1 Investments by types

	30 June 2020 (Un-Audited)				31 December 2019 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
Rupees in '000								
Held-for-trading securities								
Federal government securities	7,187,303	-	40,038	7,227,341	-	-	-	-
Available-for-sale securities								
Federal government securities	420,710,939	-	13,425,456	434,136,395	401,863,579	-	(4,916,659)	396,946,920
Shares	1,454,746	(466,014)	133,885	1,122,617	891,935	(333,784)	171,177	729,328
Non-government debt securities	11,152,937	(127,319)	(58,405)	10,967,213	9,458,743	(130,559)	(39,636)	9,288,548
Mutual funds	599,653	(9,647)	(19,317)	570,689	29,702	(9,647)	9,656	29,711
Real estate investment trust	387,869	-	(2,169)	385,700	387,869	-	54,499	442,368
	434,306,144	(602,980)	13,479,450	447,182,614	412,631,828	(473,990)	(4,720,963)	407,436,875
Held-to-maturity securities								
Federal government securities	36,107,395	-	-	36,107,395	36,089,874	-	-	36,089,874
Non-government debt securities	1,000,000	-	-	1,000,000	-	-	-	-
	37,107,395	-	-	37,107,395	36,089,874	-	-	36,089,874
Total Investments	478,600,842	(602,980)	13,519,488	491,517,350	448,721,702	(473,990)	(4,720,963)	443,526,749

30 June
2020
(Un-Audited)

31 December
2019
(Audited)

Rupees in '000

9.1.1 Investments given as collateral

Federal government securities		
Market treasury bills	18,560,483	81,790,898
Pakistan investment bonds	89,743,250	7,415,475
	<u>108,303,733</u>	<u>89,206,373</u>

9.2 Provision for diminution in value of investments

9.2.1 Opening balance	473,990	417,991
Charge for the period / year	183,314	63,868
Reversal for the period / year	(3,240)	(7,869)
Net charge for the period / year	180,074	55,999
Reversal on disposal	(51,084)	-
Closing balance	<u>602,980</u>	<u>473,990</u>

9.2.2 Particulars of provision against debt securities

Category of classification	30 June 2020 (Un-Audited)		31 December 2019 (Audited)	
	Non-performing investments	Provision	Non-performing investments	Provision
	Rupees in '000			
Domestic				
Loss	127,319	127,319	130,559	130,559
	<u>127,319</u>	<u>127,319</u>	<u>130,559</u>	<u>130,559</u>

9.3 The market value of securities classified as held-to-maturity is Rs. 38,914,108 thousand (31 December 2019: Rs 34,168,228 thousand).

10. ADVANCES

		Performing		Non-Performing		Total	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	Note	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
Rupees in '000							
Loans, cash credits, running finances, etc.							
In Pakistan		224,981,035	199,539,259	14,573,528	14,554,885	239,554,563	214,094,144
Islamic financing and related assets	10.1	38,485,519	31,850,902	855,983	853,946	39,341,502	32,704,848
Bills discounted and purchased		38,562,267	41,598,380	1,780,815	2,124,307	40,343,082	43,722,687
Advances - gross		302,028,821	272,988,541	17,210,326	17,533,138	319,239,147	290,521,679
Provision against non-performing advances							
- specific		-	-	(15,194,162)	(15,294,415)	(15,194,162)	(15,294,415)
- general		(2,707,076)	(1,634,410)	-	-	(2,707,076)	(1,634,410)
		(2,707,076)	(1,634,410)	(15,194,162)	(15,294,415)	(17,901,238)	(16,928,825)
Advances - net of provisions		299,321,745	271,354,131	2,016,164	2,238,723	301,337,909	273,592,854

10.1 It includes loans and advances of First Habib Modaraba and Habib Metro Modaraba amounting to Rs. 8,731,609 thousand and Rs. 195,211 thousand respectively. Furthermore, it includes the Islamic banking operations of the holding company amounting to Rs. 30,414,682 thousand as disclosed in note 36.3 to these consolidated condensed interim financial statements.

10.2 Particulars of advances - gross

	30 June 2020	31 December 2019
	(Un-Audited)	(Audited)
	Rupees in '000	
In local currency	283,368,408	248,763,551
In foreign currencies	35,870,739	41,758,128
	<u>319,239,147</u>	<u>290,521,679</u>

10.3 Advances include Rs. 17,210,325 thousand (31 December 2019: Rs. 17,533,138 thousand) which have been placed under non-performing status as detailed below:

Category of classification	30 June 2020 (Un-Audited)		31 December 2019 (Audited)	
	Non-performing loans	Provision	Non-performing loans	Provision
	Rupees in '000			
Domestic				
Substandard	349,592	6,226	433,980	76,611
Doubtful	699,317	243,557	628,533	273,742
Loss	16,161,416	14,944,379	16,470,625	14,944,062
	<u>17,210,325</u>	<u>15,194,162</u>	<u>17,533,138</u>	<u>15,294,415</u>

10.4 Particulars of provision against advances

	30 June 2020 (Un-Audited)			31 December 2019 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	15,294,415	1,634,410	16,928,825	15,324,500	1,236,190	16,560,690
Charge for the period / year	799,250	1,072,666	1,871,916	1,179,540	398,220	1,577,760
Reversals for the period / year	(440,892)	–	(440,892)	(1,197,378)	–	(1,197,378)
Net charge / (reversal) for the period / year	358,358	1,072,666	1,431,024	(17,838)	398,220	380,382
Amount written off	(458,611)	–	(458,611)	(12,247)	–	(12,247)
Closing balance	<u>15,194,162</u>	<u>2,707,076</u>	<u>17,901,238</u>	<u>15,294,415</u>	<u>1,634,410</u>	<u>16,928,825</u>

10.4.1 General provision includes provision of Rs. 3,837 thousand (31 December 2019: Rs. 3,410 thousand) made against consumer portfolio and Rs. 16 thousand (31 December 2019: Rs. 55 thousand) made against small enterprises (SEs) portfolio as required by the Prudential Regulation issued by the SBP. General provision also includes provision of Rs. 2,703,223 thousand (31 December 2019: Rs. 1,630,945 thousand) against potential credit risk in the advances portfolio.

10.4.2 Particulars of provision against advances

	30 June 2020 (Un-Audited)			31 December 2019 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
In local currency	14,741,499	2,707,076	17,448,575	14,877,139	1,634,410	16,511,549
In foreign currencies	452,663	–	452,663	417,276	–	417,276
	<u>15,194,162</u>	<u>2,707,076</u>	<u>17,901,238</u>	<u>15,294,415</u>	<u>1,634,410</u>	<u>16,928,825</u>

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

During the current year, the holding company availed additional forced sale value (FSV) benefit under BSD Circular No. 1 of 21 October 2011. This has resulted in reduction of provision against non-performing loans and advances by Rs. 150,906 thousand (31 December 2019: Rs. 315,348 thousand). Further, as of 30 June 2020, had the benefit of FSVs (including those availed into previous year) not been taken by the holding company, the specific provision against non-performing advances would have been higher by Rs. 1,404,310 thousand (31 December 2019: Rs. 1,598,972 thousand) and accumulated profit would have been lower by Rs. 912,802 thousand (31 December 2019: Rs. 1,039,332 thousand). This amount of Rs. 912,802 thousand (31 December 2019: Rs. 1,039,332 thousand) is not available for distribution of cash and stock dividend to the shareholders and bonus to employees.

	Note	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
		Rupees in '000	
11. FIXED ASSETS			
Capital work-in-progress	11.1	414,703	343,734
Property and equipment		4,295,614	4,186,336
Right-of-use assets		3,998,448	3,851,321
		<u>8,708,765</u>	<u>8,381,391</u>
11.1 Capital work-in-progress			
Civil works		278,770	243,323
Advance to suppliers		135,933	100,411
		<u>414,703</u>	<u>343,734</u>
		Half year ended	
		30 June 2020 (Un-Audited)	30 June 2019
		Rupees in '000	
11.2 Additions to fixed assets			
The following additions have been made to fixed assets during the period:			
Capital work-in-progress additions / (transfer to fixed assets) - net		70,969	(23,999)
Property and equipment			
Building on leasehold land		–	149,102
Furniture and fixture		62,474	30,124
Electrical, office and computer equipment		355,483	460,452
Vehicles		21,377	32,936
Lease hold improvement		211,542	98,233
		650,876	770,847
Right-of-use assets		528,975	–
Total		<u>1,250,820</u>	<u>746,848</u>
11.3 Disposal of fixed assets			
The net book value of fixed assets disposed off during the period is as follows:			
Furniture and fixture		152	40
Electrical, office and computer equipment		519	457
Vehicles		2,322	4,420
Total		<u>2,993</u>	<u>4,917</u>

12. INTANGIBLE ASSETS

Computer software
Management rights

30 June 2020 (Un-Audited)	31 December 2019 (Audited)
Rupees in '000	

91,247	66,770
41,600	41,600
<u>132,847</u>	<u>108,370</u>

Half year ended	
30 June 2020 (Un-Audited)	30 June 2019 (Un-Audited)
Rupees in '000	

12.1 The following additions have been made to intangible assets during the period:

- directly purchased

60,391	7,420
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30 June 2020 (Un-Audited)	31 December 2019 (Audited)
Rupees in '000	

13. DEFERRED TAX LIABILITIES / (ASSETS)

Deductible temporary differences

Provision for diminution in value of investments

(211,043)	(165,897)
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Provision for non-performing loans and advances
and off - balance sheet items

(1,998,444)	(2,024,464)
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Deficit on revaluation of investments

-	(1,674,879)
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Deferred liability on defined benefit plan

(52,132)	(40,979)
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Others

-	(1,494)
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<u>(2,261,619)</u>	<u>(3,907,713)</u>
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Taxable temporary differences

Surplus on revaluation of investments

4,719,494	-
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Surplus on revaluation of non banking assets

120,459	121,385
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Provision against other assets

958	-
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Accelerated depreciation

1,708	76,194
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<u>4,842,619</u>	<u>197,579</u>
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Net deferred tax liability / (asset)

<u>2,581,000</u>	<u>(3,710,134)</u>
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	Note	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
		Rupees in '000	
14. OTHER ASSETS			
Income / mark-up / profit accrued in local currency		11,785,180	12,437,768
Income / mark-up / profit accrued in foreign currencies		46,625	43,085
Advances, deposits, advance rent and other prepayments		499,170	374,300
Advance taxation (payments less provision)		–	837,013
Non-banking assets acquired in satisfaction of claims		414,161	417,244
Branch adjustment account		234	58
Mark to market gain on forward foreign exchange contracts		7,178,316	4,458,787
Acceptances		27,089,103	20,971,205
Receivable from the SBP against encashment of government securities		39,439	55,080
Stationery and stamps on hand		76,889	89,065
Dividend receivable		978	–
Others		531,832	289,140
		47,661,927	39,972,745
Provision against other assets	14.1	(213,421)	(211,182)
Other assets (net of provision)		47,448,506	39,761,563
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	19	344,168	346,816
		47,792,674	40,108,379
14.1 Provision held against other assets			
Operational loss		210,000	210,000
Other receivable		3,421	1,182
		213,421	211,182

	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
	Rupees in '000	
15. BILLS PAYABLE		
In Pakistan	16,791,062	11,541,474
16. BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan		
Under export refinance scheme	53,535,771	36,842,480
Under long term financing facility - renewable energy	844,303	884,970
Under long term financing facility - locally manufactured plant and machinery	12,452,559	10,466,484
Under refinance for payment of wages and salaries	5,856,874	-
	72,689,507	48,193,934
Repurchase agreement borrowings (Repo)	107,426,641	89,397,739
Due against bills rediscounting	-	2,765,541
	180,116,148	140,357,214
Unsecured		
Certificate of investment	4,579,732	1,247,947
Murhabaha financing	-	100,000
Overdrawn nostro accounts	443,141	4,106,849
	5,022,873	5,454,796
	185,139,021	145,812,010

17. DEPOSITS AND OTHER ACCOUNTS

	30 June 2020 (Un-Audited)			31 December 2019 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000					
Customers						
Current deposits (non-remunerative)	173,963,957	30,790,621	204,754,578	146,277,565	26,743,116	173,020,681
Savings deposits	145,711,129	21,733,206	167,444,335	135,304,410	19,016,742	154,321,152
Term deposits	158,269,539	44,545,643	202,815,182	165,209,671	55,096,182	220,305,853
Others	13,697,541	1,062	13,698,603	10,525,924	979	10,526,903
	491,642,166	97,070,532	588,712,698	457,317,570	100,857,019	558,174,589
Financial institutions						
Current deposits (non-remunerative)	1,373,417	1,471,611	2,845,028	1,353,086	1,019,552	2,372,638
Savings deposits	5,336,271	-	5,336,271	46,679,121	-	46,679,121
Term deposits	867,620	5,155	872,775	4,033,620	-	4,033,620
	7,577,308	1,476,766	9,054,074	52,065,827	1,019,552	53,085,379
	499,219,474	98,547,298	597,766,772	509,383,397	101,876,571	611,259,968

	Note	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
		Rupees in '000	
18. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		9,452,679	9,657,635
Mark-up / return / interest payable in foreign currencies		359,557	396,052
Unearned commission and income on bills discounted		136,127	200,781
Accrued expenses		1,413,237	999,003
Current taxation (provision less payments)		84,617	–
Acceptances		27,089,103	20,971,205
Unclaimed dividend		125,953	111,781
Mark to market loss on forward foreign exchange contracts		5,778,478	7,716,740
Provision for compensated absences		242,956	226,417
Deferred liability on defined benefit plan		235,964	116,624
Provision against off-balance sheet obligations	18.1	113,716	113,716
Workers' welfare fund	18.2	1,334,931	1,197,456
Charity fund balance		2,137	2,137
Excise duty payable		1,142	907
Locker deposits		834,772	817,043
Advance against diminishing musharaka		39,995	145,457
Advance rental for ijarah		3,711	2,739
Security deposits against leases / ijarah		589,349	642,570
Sundry creditors		989,784	743,366
Lease liability against right-of-use assets		4,286,805	3,846,508
Withholding tax / duties		248,973	404,091
Others		121,370	274,830
		<u>53,485,356</u>	<u>48,587,058</u>
18.1 Provision against off-balance sheet obligations			
Opening balance		113,716	113,716
Charge for the period / year		–	–
Closing balance		<u>113,716</u>	<u>113,716</u>

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

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

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

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

	Note	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
		Rupees in '000	
19. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS			
Surplus / (deficit) on revaluation of			
- Non-banking assets		344,168	346,816
- Available for sale securities	9.1	13,479,450	(4,720,963)
		13,823,618	(4,374,147)
Less: Deferred tax on surplus / (deficit) on revaluation of			
- Non-banking assets		120,459	121,385
- Available for sale securities		4,719,494	(1,674,879)
		(4,839,953)	1,553,494
		8,983,665	(2,820,653)
Deficit / (surplus) pertaining to non-controlling interest		6,168	(52,481)
		8,989,833	(2,873,134)
20. CONTINGENCIES AND COMMITMENTS			
Guarantees	20.1	85,431,644	81,881,337
Commitments	20.2	508,901,819	661,419,724
Other contingent liabilities	20.3	4,786,680	25,646,157
		599,120,143	768,947,218
20.1 Guarantees			
Financial guarantees		26,535,439	27,956,898
Performance guarantees		56,719,480	40,518,388
Other guarantees		2,176,725	13,406,051
		85,431,644	81,881,337
20.2 Commitments			
Documentary credits and short-term trade-related transactions:			
Letters of credit		89,426,621	119,552,974
Commitments in respect of:			
Forward exchange contracts	20.2.1	416,994,648	538,997,600
Forward lendings	20.2.2	2,035,090	2,428,742
Acquisition of operating fixed assets		445,460	440,408
		508,901,819	661,419,724
20.2.1 Commitments in respect of forward exchange contracts			
Purchase		225,718,329	290,279,554
Sale		191,276,319	248,718,046
		416,994,648	538,997,600

20.2.2 Commitments in respect of forward lendings

The Group has made commitments to extend credit in the normal course of its business, but none of these commitments are irrevocable and do not attract any penalty if the facility is unilaterally withdrawn, except for:

	Note	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
		———— Rupees in '000 ————	———— Rupees in '000 ————
Commitments in respect of syndicate financing		1,899,090	2,168,630
Commitments in respect of financing transaction		136,000	260,112
		<u>2,035,090</u>	<u>2,428,742</u>

20.3 Other contingent liabilities

Claims against bank not acknowledged as debt		4,680,624	25,540,101
Foreign exchange repatriation case	20.3.1	106,056	106,056
		<u>4,786,680</u>	<u>25,646,157</u>

20.3.1 Foreign exchange repatriation case

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

21. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

		Half year ended	
		30 June 2020	30 June 2019
		(Un-Audited)	
		Rupees in '000	
22.	MARK-UP / RETURN / INTEREST EARNED		
	Loans and advances	14,407,162	12,189,407
	Investments	25,056,523	15,547,492
	Lending with financial institutions	1,377,947	3,228,384
	Balance with other banks	66,617	54,497
		<u>40,908,249</u>	<u>31,019,780</u>
23.	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits	19,761,232	17,657,399
	Borrowings	7,036,645	2,337,529
	Foreign currency swap cost	2,861,721	1,923,332
	Lease liability against right-of-use assets	265,639	228,766
		<u>29,925,237</u>	<u>22,147,026</u>
24.	FEE & COMMISSION INCOME		
	Branch banking customer fees	258,880	251,054
	Credit related fees	19,276	30,298
	Card related fees	108,141	182,915
	Commission on trade	1,745,303	1,802,967
	Commission on guarantees	225,497	228,739
	Commission on remittances including home remittances	20,932	14,931
	Commission on bancassurance	56,854	57,548
	Others	62,087	57,565
		<u>2,496,970</u>	<u>2,626,017</u>
25.	GAIN / (LOSS) ON SECURITIES		
	Realised		
	Federal government securities	(71,090)	(725,310)
	Mutual funds	167,734	5,629
	Shares	7,488	-
	Term finance certificate, sukuk certificates and bonds	4,952	-
	Unrealised - held-for-trading		
	Federal government securities	40,038	-
		<u>149,122</u>	<u>(719,681)</u>
26.	OTHER INCOME		
	Rent on properties	5,324	17,023
	Gain on sale of fixed assets - net	9,114	9,526
	Gain on sale of ijarah assets - net	185	6,973
	Staff notice period and other recoveries	7,929	2,017
		<u>22,552</u>	<u>35,539</u>

	Half year ended	
	30 June 2020	30 June 2019
	(Un-Audited)	
	Rupees in '000	
27. OPERATING EXPENSES		
Total compensation expense	3,241,632	2,944,548
Property expense		
Rent & taxes	201,891	156,996
Insurance	2,640	2,490
Utilities cost	186,669	169,538
Security	226,799	183,096
Repair & maintenance	163,825	132,029
Depreciation	593,699	549,820
	1,375,523	1,193,969
Information technology expenses		
Software maintenance	67,256	56,601
Hardware maintenance	82,023	68,954
Depreciation	94,320	71,448
Amortisation	35,981	59,922
Network charges	112,770	97,170
	392,350	354,095
Other operating expenses		
Directors' fees and allowances	5,443	5,698
Fees and allowances to shariah board	5,264	5,137
Legal & professional charges	57,871	78,282
Outsourced services costs	148,438	128,716
Travelling & conveyance	101,296	120,713
NIFT and clearing charges	30,424	39,212
Depreciation	235,942	211,821
Depreciation - non-banking assets	5,731	5,577
Training & development	7,972	12,852
Postage & courier charges	41,697	45,355
Communication	52,887	51,182
Subscription	99,988	79,442
Repair & maintenance	55,005	48,629
Brokerage & commission	100,051	33,927
Stationery & printing	112,837	123,302
Marketing, advertisement & publicity	51,122	61,883
Management fee	249,415	202,554
Insurance	280,168	254,681
Donations	64,796	50,820
Auditors' remuneration	8,141	10,199
Others	236,100	218,355
	1,950,588	1,788,337
	6,960,093	6,280,949

	Note	Half year ended	
		30 June 2020	30 June 2019
		(Un-Audited)	
		Rupees in '000	
28. OTHER CHARGES			
Penalties imposed by the SBP		29,240	41,295
29. PROVISIONS & WRITE OFFS - NET			
Provision for diminution in value of investments - net	9.2.1	180,074	31,720
Provision / (reversal) of provision against loan & advances - net	10.4	1,431,024	(135,047)
Provision against other assets		2,742	-
Recovery of written off bad debts		(10,751)	(3,530)
		1,603,089	(106,857)
30. TAXATION			
Current		2,828,580	1,877,826
Prior year		-	300,548
Deferred		(92,213)	352,006
		2,736,367	2,530,380
31. BASIC AND DILUTED EARNINGS PER SHARE			
Profit attributable to equity shareholders of the holding company		4,156,722	3,201,002
		Number in '000	
Weighted average number of ordinary shares		1,047,831	1,047,831
		Rupees	
Basic and diluted earnings per share		3.97	3.05

32. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than investment classified as held-to-maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost.

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

32.1 Fair value of financial assets

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

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

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

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

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

On balance sheet financial instruments

	30 June 2020 (Un-Audited)				
	Carrying / notional value	Fair value			
		Level 1	Level 2	Level 3	Total
	Rupees in '000				
Financial assets measured at fair value					
- Investments					
- Held-for-trading securities					
Federal government securities	7,227,341	-	7,227,341	-	7,227,341
- Available-for-sale securities					
Federal government securities	434,136,395	-	434,136,395	-	434,136,395
Sukuk certificates and bonds	7,922,047	-	7,922,047	-	7,922,047
Ordinary shares of listed companies	1,067,173	1,067,173	-	-	1,067,173
Mutual funds - open end	563,387	-	563,387	-	563,387
- close end	7,302	7,302	-	-	7,302
Real estate investment trust	385,700	385,700	-	-	385,700
Listed term finance certificates	3,045,166	-	3,045,166	-	3,045,166
Unlisted term finance certificates	-	-	-	-	-
Financial assets not measured at fair value					
- Cash and balances with treasury banks	57,534,085	-	-	-	-
- Balances with other banks	8,325,699	-	-	-	-
- Lendings to financial institutions	1,700,000	-	-	-	-
- Investments					
- Held-to-maturity securities					
Federal government securities	36,107,395	-	-	-	-
Certificates of investments	1,000,000	-	-	-	-
- Available-for-sale securities					
Ordinary shares of unlisted companies	55,444	-	-	-	-
- Advances	301,337,909	-	-	-	-
- Other assets	46,671,472	-	-	-	-
	907,086,515	1,460,175	452,894,336	-	454,354,511
Non-financial assets measured at fair value					
- Non-banking assets acquired in satisfaction of claim	758,329	-	758,329	-	758,329
Off-balance sheet financial instruments measured at fair value					
- Forward purchase of foreign exchange contracts	225,718,329	-	218,835,925	-	218,835,925
- Forward sale of foreign exchange contracts	191,276,319	-	196,758,885	-	196,758,885

On balance sheet financial instruments

	31 December 2019 (Audited)				
	Carrying / notional value	Fair value			
		Level 1	Level 2	Level 3	Total
		Rupees in '000			
Financial assets measured at fair value					
- Investments					
- Held-for-trading securities					
Federal government securities	-	-	-	-	-
- Available-for-sale securities					
Federal government securities	396,946,920	-	396,946,920	-	396,946,920
Sukuk certificates and bonds	6,184,534	-	6,184,534	-	6,184,534
Ordinary shares of listed companies	673,884	673,884	-	-	673,884
Mutual funds - open end	18,573	-	18,573	-	18,573
- close end	11,138	11,138	-	-	11,138
Real estate investment trust	442,368	442,368	-	-	442,368
Listed term finance certificates	3,095,455	-	3,095,455	-	3,095,455
Unlisted term finance certificates	8,559	-	8,559	-	8,559
Financial assets not measured at fair value					
- Cash and balances with treasury banks	70,713,833	-	-	-	-
- Balances with other banks	2,691,101	-	-	-	-
- Lendings to financial institutions	22,197,303	-	-	-	-
- Investments					
- Held-to-maturity securities					
Federal government securities	36,089,874	-	-	-	-
Certificates of investments	-	-	-	-	-
- Available-for-sale securities					
Ordinary shares of unlisted companies	55,444	-	-	-	-
- Advances	273,592,854	-	-	-	-
- Other assets	38,255,065	-	-	-	-
	<u>850,976,905</u>	<u>1,127,390</u>	<u>406,254,041</u>	<u>-</u>	<u>407,381,431</u>
Non-financial assets measured at fair value					
- Non-banking assets acquired in satisfaction of claim	<u>764,060</u>	<u>-</u>	<u>764,060</u>	<u>-</u>	<u>764,060</u>
Off-balance sheet financial instruments measured at fair value					
- Forward purchase of foreign exchange contracts	<u>303,454,611</u>	<u>-</u>	<u>283,969,816</u>	<u>-</u>	<u>283,969,816</u>
- Forward sale of foreign exchange contracts	<u>260,497,060</u>	<u>-</u>	<u>245,666,261</u>	<u>-</u>	<u>245,666,261</u>

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

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

33. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	30 June 2020 (Un-Audited)			
	Trade & Sales	Retail Banking	Commercial Banking	Total
	Rupees in '000			
Profit & Loss				
Net mark-up/return/profit	17,625,535	(8,730,403)	2,087,880	10,983,012
Inter segment revenue - net	(14,547,128)	11,002,759	3,544,369	-
Non mark-up / return / interest income	18,860	111,962	4,657,023	4,787,845
Total Income	3,097,267	2,384,318	10,289,272	15,770,857
Segment direct expenses	(199,680)	-	(116,180)	(315,860)
Inter segment expense allocation	-	(2,025,193)	(4,799,753)	(6,824,946)
Total expenses	(199,680)	(2,025,193)	(4,915,933)	(7,140,806)
Provisions	(182,816)	3,868	(1,424,141)	(1,603,089)
Profit before tax	2,714,771	362,993	3,949,198	7,026,962
Balance Sheet				
Cash & Bank balances	7,573,247	25,396,774	32,889,763	65,859,784
Investments	491,517,350	-	-	491,517,350
Lendings to financial institutions	1,700,000	-	-	1,700,000
Advances - performing	-	3,556,842	298,471,979	302,028,821
Advances - non-performing	-	10,433	17,199,893	17,210,326
Provision against advances	-	(14,270)	(17,886,968)	(17,901,238)
Net inter segment lending	-	262,842,550	109,707,850	372,550,400
Others	13,645,032	2,621,493	40,367,761	56,634,286
Total Assets	514,435,629	294,413,822	480,750,278	1,289,599,729
Borrowings	107,869,782	-	77,269,239	185,139,021
Subordinated debt	-	-	-	-
Deposits & other accounts	-	264,181,176	333,585,596	597,766,772
Net inter segment borrowing	372,550,400	-	-	372,550,400
Others	4,090,433	11,491,883	57,275,102	72,857,418
Total liabilities	484,510,615	275,673,059	468,129,937	1,228,313,611
Equity	29,925,014	18,740,763	12,620,341	61,286,118
Total Equity & liabilities	514,435,629	294,413,822	480,750,278	1,289,599,729
Contingencies & Commitments	416,994,648	-	182,125,495	599,120,143

30 June 2019 (Un-Audited)				
	Trade & Sales	Retail Banking	Commercial Banking	Total
	Rupees in '000			
Profit & Loss				
Net mark-up / return / profit	15,851,200	(7,515,179)	536,733	8,872,754
Inter segment revenue - net	(11,992,200)	9,468,793	2,523,407	-
Non mark-up / return / interest income	(924,843)	193,725	4,077,548	3,346,430
Total Income	2,934,157	2,147,339	7,137,688	12,219,184
Segment direct expenses	(146,728)	-	(110,415)	(257,143)
Inter segment expense allocation	900	(1,811,787)	(4,367,890)	(6,178,777)
Total expenses	(145,828)	(1,811,787)	(4,478,305)	(6,435,920)
Provisions	(31,720)	(1,202)	139,779	106,857
Profit before tax	2,756,609	334,350	2,799,162	5,890,121
31 December 2019 (Audited)				
Balance Sheet				
Cash & Bank balances	1,408,898	29,210,677	42,785,359	73,404,934
Investments	443,526,749	-	-	443,526,749
Lendings to financial institutions	22,197,303	-	-	22,197,303
Advances - performing	-	3,416,247	269,572,294	272,988,541
Advances - non-performing	-	14,728	17,518,410	17,533,138
Provision against advances	-	(18,138)	(16,910,687)	(16,928,825)
Net inter segment lending	-	240,325,478	117,585,753	357,911,231
Others	13,146,487	2,467,870	36,693,917	52,308,274
Total Assets	480,279,437	275,416,862	467,245,046	1,222,941,345
Borrowings	97,618,076	-	48,193,934	145,812,010
Subordinated debt	-	-	-	-
Deposits & other accounts	-	252,753,562	358,506,406	611,259,968
Net inter segment borrowing	357,911,231	-	-	357,911,231
Others	8,106,382	8,725,655	43,296,495	60,128,532
Total liabilities	463,635,689	261,479,217	449,996,835	1,175,111,741
Equity	16,643,748	13,937,645	17,248,211	47,829,604
Total Equity & liabilities	480,279,437	275,416,862	467,245,046	1,222,941,345
Contingencies & Commitments	538,997,600	-	229,949,618	768,947,218

34. TRANSACTIONS WITH RELATED PARTIES

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

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

The details of transactions with related parties during the year are as follows:

	30 June 2020 (Un-Audited)					
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000					
Balances with other banks						
In current accounts	173,759	122,210	–	–	–	295,969
Advances						
Opening balance	366	4,144,390	222,737	–	–	4,367,493
Addition during the period	–	15,634,089	6,989	–	–	15,641,078
Repaid during the period	(282)	(16,264,168)	(32,811)	–	–	(16,297,261)
Closing balance	84	3,514,311	196,915	–	–	3,711,310
Other Assets						
Mark-up / return / interest accrued	–	7,029	–	–	–	7,029
Prepayments / advance deposits / other receivable	56	12,313	–	–	–	12,369
	56	19,342	–	–	–	19,398
Deposits						
Opening balance	529,172	11,234,004	262,708	785,494	940,576	13,751,954
Received during the period	13,402,060	733,702,793	435,771	476,651	333,475	748,350,750
Withdrawn during the period	(13,420,639)	(728,080,842)	(431,701)	(747,302)	(444,996)	(743,125,480)
Closing balance	510,593	16,855,955	266,778	514,843	829,055	18,977,224
Other Liabilities						
Mark-up / return / interest payable	–	394,981	2,055	2,860	623,323	1,023,219
Management fee payable for technical and consultancy services*	364,485	–	–	–	–	364,485
Other payables	–	12,350	–	–	195,356	207,706
	364,485	407,331	2,055	2,860	818,679	1,595,410
Contingencies & commitments						
Transaction-related contingent liabilities	–	8,936,920	–	–	–	8,936,920
Trade-related contingent liabilities	–	2,066,795	–	–	–	2,066,795
Commitment against operating leases	–	150	–	–	–	150
	–	11,003,865	–	–	–	11,003,865

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

	31 December 2019 (Audited)					
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000					
Balances with other banks						
In current accounts	111,070	79,224	–	–	–	190,294
Advances						
Opening balance	890	2,820,520	115,507	–	–	2,936,917
Addition during the year	190	35,163,266	133,279	–	–	35,296,735
Repaid during the year	(714)	(33,839,396)	(26,049)	–	–	(33,866,159)
Closing balance	366	4,144,390	222,737	–	–	4,367,493
Other Assets						
Mark-up / return / interest accrued	–	14,298	–	–	–	14,298
Prepayments / Advance deposits /						
Other Receivable	–	5,604	–	–	–	5,604
Receivable against purchase of securities	(23,967)	–	–	–	–	(23,967)
	(23,967)	19,902	–	–	–	(4,065)
Borrowings						
Opening balance	8,822	–	–	–	–	8,822
Borrowings during the year	–	–	–	–	–	–
Settled during the year	(8,822)	–	–	–	–	(8,822)
Closing balance	–	–	–	–	–	–
Deposits						
Opening balance	396,056	16,304,007	163,874	731,175	3,689,624	21,284,736
Received during the year	12,533,574	1,567,337,165	1,869,293	2,171,678	8,292,965	1,592,204,675
Withdrawn during the year	(12,400,458)	(1,572,407,168)	(1,770,459)	(2,117,359)	(11,042,013)	(1,599,737,457)
Closing balance	529,172	11,234,004	262,708	785,494	940,576	13,751,954
Other Liabilities						
Mark-up / return / interest payable	–	368,328	2,960	6,541	569,618	947,447
Management fee payable for						
technical and consultancy services *	188,163	–	–	–	–	188,163
Other payables	–	6,332	–	–	116,624	122,956
	188,163	374,660	2,960	6,541	686,242	1,258,566
Contingencies & commitments						
Transaction-related contingent liabilities	–	8,166,062	–	–	–	8,166,062
Trade-related contingent liabilities	–	1,387,860	–	–	–	1,387,860
Commitment against operating leases	–	–	–	–	–	–
	–	9,553,922	–	–	–	9,553,922

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

Transactions during the period

	For the period ended 30 June 2020 (Un-Audited)				
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans
	Rupees in '000				
Income					
Mark-up / return / interest earned	86	72,648	6,489	–	–
Fee and commission income	2,232	162,882	–	16	–
Rent income	2,808	–	–	–	–
Expense					
Mark-up / return / interest expensed	–	472,888	11,127	33,885	64,331
Commission / brokerage / bank charges paid	425	702	–	–	–
Salaries and allowances	–	–	261,553	–	–
Directors' fees and allowances	–	–	–	5,443	–
Charge to defined benefit plan	–	–	–	–	88,616
Contribution to defined contribution plan	–	–	–	–	108,594
Rent expenses	–	7,344	–	–	–
Insurance premium expenses	–	6,066	–	–	–
Maintenance, electricity, stationery & entertainment	–	50,240	–	–	–
Management fee expense for technical and consultancy services *	247,272	–	–	–	–
Donation	–	11,960	–	–	–
Professional / other charges	–	1,842	–	–	–

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

Transactions during the period

	For the period year ended 30 June 2019 (Un-Audited)				
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans
	Rupees in '000				
Income					
Mark-up / return / interest earned	102	71,462	5,051	–	–
Fee and commission income	2,658	108,329	–	20	–
Rent income	2,808	–	–	–	–
Expenses					
Mark-up / return / interest expensed	–	745,491	11,755	32,030	212,944
Commission / brokerage / bank charges paid	273	613	–	–	–
Salaries and allowances	–	–	252,000	–	–
Directors' fees and allowances	–	–	–	5,698	–
Charge to defined benefit plan	–	–	–	–	86,769
Contribution to defined contribution plan	–	–	–	–	98,098
Operating lease rentals / rent expenses	–	6,963	–	–	–
Insurance premium expenses	–	6,328	–	–	–
Maintenance, electricity, stationery & entertainment	–	45,075	–	–	–
Management fee expense for technical and consultancy services *	202,554	–	–	–	–
Donation	–	7,960	–	–	–
Professional / other charges	–	1,564	–	–	–

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

35. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
	Rupees in '000	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	10,478,315	10,478,315
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) capital	49,249,251	44,712,650
Eligible Additional Tier 1 (ADT 1) capital	103,635	117,613
Total eligible tier 1 capital	49,352,886	44,830,263
Eligible tier 2 capital	11,645,927	1,830,431
Total eligible capital (tier 1 + tier 2)	60,998,813	46,660,694
Risk Weighted Assets (RWAs):		
Credit risk	277,713,393	273,659,520
Market risk	3,181,773	1,694,641
Operational risk	43,067,830	43,067,830
Total	323,962,996	318,421,991
CET 1 capital adequacy ratio	15.20%	14.04%
Tier 1 capital adequacy ratio	15.23%	14.08%
Total capital adequacy ratio	18.83%	14.65%
Minimum capital requirements prescribed by SBP		
CET 1 capital adequacy ratio	6.00%	6.00%
Tier 1 capital adequacy ratio	7.50%	7.50%
Total capital adequacy ratio	11.50%	12.50%

Simple, maturity method and basic indicator approach for credit risk, market risk and operational risk exposures respectively have been used in the capital adequacy calculation.

Leverage Ratio (LR):		
Eligible tier-1 capital	49,352,886	44,830,263
Total exposures	1,132,858,716	1,099,575,387
Leverage ratio	4.36%	4.08%

36. ISLAMIC BANKING BUSINESS

The holding company is operating 31 (31 December 2019: 31) islamic banking branches and 224 (31 December 2019: 222) islamic banking windows at the end of the period.

	Note	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks		4,239,402	5,696,506
Balances with other banks		—	—
Due from financial institutions	36.1	1,700,000	22,197,303
Investments	36.2	27,670,734	14,718,222
Islamic financing and related assets - net	36.3	29,593,569	22,425,248
Fixed assets	36.4	467,740	522,276
Intangible assets		—	—
Due from head office		4,671,289	3,950,351
Other assets		3,166,043	2,825,100
		71,508,777	72,335,006

LIABILITIES

Bills payable		899,073	718,549
Due to financial institutions		8,510,839	4,275,353
Deposits and other accounts	36.5	54,237,717	61,261,923
Due to head office		—	—
Subordinated debt		—	—
Other liabilities	36.4	2,331,139	1,980,357
		<u>65,978,768</u>	<u>68,236,182</u>

NET ASSETS

<u>5,530,009</u>	<u>4,098,824</u>
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REPRESENTED BY

Islamic banking fund		5,504,201	3,003,871
Reserves		—	—
(Deficit) / surplus on revaluation of assets		(478,568)	6,920
Unappropriated profit	36.9	504,376	1,088,033
		<u>5,530,009</u>	<u>4,098,824</u>

CONTINGENCIES AND COMMITMENTS

36.6

The profit and loss account of the holding company's islamic banking branches for the half year ended 30 June 2020 is as follows:

	Note	Half year ended	
		30 June 2020	30 June 2019
		(Un-Audited) Rupees in '000	
Profit / return earned	36.7	2,794,517	2,233,982
Profit / return expensed	36.8	(2,078,558)	(1,391,970)
Net profit / return		715,959	842,012
Other income			
Fee and commission income		92,458	72,800
Dividend income		23,400	–
Foreign exchange income		46,933	19,146
Income / (loss) from derivatives		–	–
Gain / (loss) on securities		166,814	415
Other income		13,848	10,467
Total other income		343,453	102,828
Total income		1,059,412	944,840
Other expenses			
Operating expenses		356,270	332,699
Workers' welfare fund		–	–
Other charges		–	85
Total other expenses		356,270	332,784
Profit before provisions		703,142	612,056
Provisions and write offs - net		(198,766)	(127)
Profit before taxation		504,376	611,929

36.1 Due from Financial Institutions

	30 June 2020 (Un-Audited)			31 December 2019 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000					
Unsecured						
Musharaka	1,700,000	–	1,700,000	14,690,000	–	14,690,000
Bai-muajjal receivable from State Bank of Pakistan	–	–	–	7,507,303	–	7,507,303
	<u>1,700,000</u>	<u>–</u>	<u>1,700,000</u>	<u>22,197,303</u>	<u>–</u>	<u>22,197,303</u>

36.2 Investments by segments:

	30 June 2020 (Unaudited)				31 December 2019 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Rupees in '000							
Federal Government								
Securities:								
- Ijarah sukuku	16,000,000	-	(480,000)	15,520,000	-	-	-	-
- Bai-muajjal	3,608,688	-	-	3,608,688	3,608,688	-	-	3,608,688
	19,608,688	-	(480,000)	19,128,688	3,608,688	-	-	3,608,688
Non-Government								
Debt Securities								
- Listed	7,171,050	-	1,119	7,172,169	5,378,650	-	2,901	5,381,551
- Unlisted	1,369,564	-	313	1,369,877	5,723,964	-	4,019	5,727,983
	8,540,614	-	1,432	8,542,046	11,102,614	-	6,920	11,109,534
Total investments	28,149,302	-	(478,568)	27,670,734	14,711,302	-	6,920	14,718,222

36.3 Islamic financing and related assets - net

	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
	Rupees in '000	
Ijarah	317,669	385,320
Murabaha	5,858,753	7,754,898
Working capital musharaka	5,260,835	2,642,396
Diminishing musharaka	4,931,703	3,631,076
Istisna	660,720	569,445
Diminishing musharaka - islamic long term financing facility	438,620	-
Export refinance working capital musharaka	1,020,000	-
Export refinance murabaha	630,168	987,965
Export refinance istisna	1,020,000	872,438
Al-bai financing	572,368	637,706
Advances against:		
Ijarah	85,908	80,714
Diminishing musharaka - islamic long term financing facility	656,144	-
Diminishing musharaka - islamic refinance scheme for payment of wages and salaries	692,701	-
Diminishing musharaka - islamic financing facility for storage of agricultural produce	124,354	-
Murabaha	241,016	574,988
Diminishing musharaka	196,703	1,969,374
Salam	199,374	-
Istisna	1,724,441	993,202
Export refinance murabaha	18,346	13,165
Export refinance istisna	5,411,800	1,911,104
Inventory related to		
Al-bai goods	338,059	-
Istisna goods	15,000	23,803
Gross Islamic financing and related assets	30,414,682	23,047,594
Provision against non-performing islamic financing	(821,113)	(622,346)
Islamic financing and related assets - net of provision	29,593,569	22,425,248

36.4 Fixed Assets and Other Liabilities

At 30 June 2020, fixed assets include right-of-use assets of Rs. 412,987 thousand (31 December 2019: Rs. 457,832 thousand) and other liabilities include related lease liability of Rs. 462,267 thousand (31 December 2019: Rs. 471,290 thousand).

	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
	Rupees in '000	
36.5 Deposits		
Customers		
Current deposits	16,274,002	15,229,020
Savings deposits	20,151,666	21,852,586
Term deposits	16,667,099	19,614,334
	<u>53,092,767</u>	<u>56,695,940</u>
Financial Institutions		
Current deposits	35,112	851
Savings deposits	1,109,838	4,040,132
Term deposits	—	525,000
	<u>1,144,950</u>	<u>4,565,983</u>
	<u>54,237,717</u>	<u>61,261,923</u>
36.6 Contingencies and commitments		
Guarantees	6,839,284	4,646,271
Commitments	7,015,466	4,175,877
	<u>13,854,750</u>	<u>8,822,148</u>
	Half year ended	
	30 June 2020 (Un-Audited)	30 June 2019
	Rupees in '000	
36.7 Profit / return earned of financing, investments and placement		
Profit earned on:		
Financing	1,169,537	883,347
Investments	1,194,691	934,253
Placements	430,289	416,382
	<u>2,794,517</u>	<u>2,233,982</u>
36.8 Profit on deposits and other dues expensed		
Deposits and other accounts	1,978,957	1,328,808
Due to financial institutions	70,384	28,491
Discount expense on lease liability against right-of-use assets	29,217	34,671
	<u>2,078,558</u>	<u>1,391,970</u>

	30 June 2020 (Un-Audited)	31 December 2019 (Audited)
	Rupees in '000	
36.9 Unappropriated profit		
Opening balance	1,088,033	446,464
Add: Islamic banking profit for the period / year	504,376	1,088,033
Less: Transferred to head office	<u>(1,088,033)</u>	<u>(446,464)</u>
Closing balance	<u>504,376</u>	<u>1,088,033</u>

37. GENERAL

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

37.2 Corresponding figures have been re-classified, re-arranged or additionally incorporated in these consolidated condensed interim financial statements wherever necessary to facilitate comparison and better presentation.

38. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on 18 August 2020 by the Board of Directors of the holding company.

FUZAIL ABBAS
Chief Financial Officer

MOHSIN A. NATHANI
President &
Chief Executive Officer

FIRASAT ALI
Director

RASHID AHMED JAFER
Director

MOHAMEDALI R. HABIB
Chairman

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