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Corporate Information

Board of Directors	Ali Raza D. Habib	<i>Chairman</i>
	Abbas D. Habib	<i>Chief Executive & Managing Director</i>
	Anwar Haji Karim	
	Imtiaz Alam Hanfi	
	Manzoor Ahmed	
	Murtaza H. Habib	
	Qumail R. Habib	<i>Executive Director</i>
	Safar Ali Lakhani	
	Shameem Ahmed	
	Syed Mazhar Abbas	
Audit Committee	Shameem Ahmed	<i>Chairman</i>
	Anwar Haji Karim	<i>Member</i>
	Murtaza H. Habib	<i>Member</i>
	Syed Mazhar Abbas	<i>Member</i>
Human Resource & Remuneration Committee	Syed Mazhar Abbas	<i>Chairman</i>
	Abbas D. Habib	<i>Member</i>
	Anwar Haji Karim	<i>Member</i>
	Murtaza H. Habib	<i>Member</i>
Company Secretary	A. Saeed Siddiqui	
Statutory Auditors	KPMG Taseer Hadi & Co. Chartered Accountants	
Legal Advisor	Liaquat Merchant Associates Advocates and Corporate Legal Consultants	
Registered Office	126-C, Old Bahawalpur Road, Multan	
Principal Office	2nd Floor, Mackinnons Building, I.I. Chundrigar Road, Karachi	
Share Registrar	M/s. Noble Computer Services (Pvt.) Limited First Floor, House of Habib Building, (Siddiqsons Tower), 3-Jinnah Co-operative Housing Society, Main Shahr-e-Faisal, Karachi.	
Website	www.bankalhabib.com	



Directors' Review

On behalf of the Board of Directors of the Bank, it is my pleasure to present the un-audited financial statements of Bank AL Habib Limited along with the un-audited consolidated financial statements of Bank AL Habib Limited and the Bank's Subsidiary M/s. AL Habib Capital Markets (Private) Limited for the quarter ended March 31, 2014.

Alhamdulillah, during the period under review, the performance of the Bank continued to be satisfactory. The deposits increased to Rs. 396.5 billion as compared to Rs. 386.2 billion on December 31, 2013. In the same period, advances remained almost unchanged at Rs. 167.7 billion reflecting the low demand for loans, while investments increased to Rs. 272.1 billion from Rs. 239.8 billion. The pre-tax profit of the Bank for the quarter ended March 31, 2014 was Rs. 2,036.9 million as compared to Rs. 1,759.6 million during the corresponding period last year.

Your Bank now has a network of 422 offices, comprising 323 branches, 96 sub-branches, and three Representative Offices. Our branch network includes 17 Islamic Banking Branches and two Overseas Branches. Continuing with our branch expansion policy, the Bank intends to open more branches and sub-branches during the year 2014.

Pakistan Credit Rating Agency Limited (PACRA) has maintained the Bank's long term and short term entity ratings at **AA+** (Double A plus) and **A1+** (A One plus), respectively. The ratings of our unsecured, subordinated TFCs have also been maintained at **AA** (Double A). These ratings denote a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments.

We wish to thank our customers for their continued support and confidence, the State Bank of Pakistan for their guidance, and local and foreign correspondents for their cooperation. We also thank all our staff members for their sincere and dedicated services.

On behalf of the Board of Directors

Karachi: April 28, 2014

SYED MAZHAR ABBAS
Director



Interim Condensed Statement of Financial Position As at 31 March 2014

		31-March 2014 (Un-Audited)	31-December 2013 (Audited)
	Note	(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		30,812,278	32,199,533
Balances with other banks		1,385,039	2,662,874
Lendings to financial institutions		—	—
Investments	4	272,053,678	239,752,853
Advances	5	167,653,042	167,579,360
Operating fixed assets	6	11,758,434	11,795,334
Deferred tax assets		—	—
Other assets		7,720,540	6,736,964
		491,383,011	460,726,918
LIABILITIES			
Bills payable		5,710,264	6,173,102
Borrowings	7	48,855,259	29,480,026
Deposits and other accounts	8	396,547,440	386,160,762
Sub-ordinated loans	9	6,485,200	6,485,900
Liabilities against assets subject to finance lease		—	—
Deferred tax liabilities		1,665,278	1,651,438
Other liabilities		7,399,342	5,493,639
		466,662,783	435,444,867
NET ASSETS		24,720,228	25,282,051
REPRESENTED BY :			
Share capital		11,114,254	10,103,868
Reserves		7,727,060	7,569,407
Unappropriated profit		3,615,384	5,554,207
		22,456,698	23,227,482
Surplus on revaluation of assets - net of tax	10	2,263,530	2,054,569
		24,720,228	25,282,051
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The annexed notes 1 to 20 form an integral part of these interim condensed financial statements.

ABBAS D. HABIB
*Chief Executive and
Managing Director*

SYED MAZHAR ABBAS
Director

SHAMEEM AHMED
Director

ANWAR HAJI KARIM
Director



**Interim Condensed Profit and Loss Account (Un-Audited)
For the Three Months Period Ended 31 March 2014**

		Three months period ended	
		31-March 2014	31-March 2013
	Note	(Rupees in '000)	
Mark-up / return / interest earned	12	9,680,948	9,684,628
Mark-up / return / interest expensed	13	(5,602,382)	(6,156,496)
Net mark-up / return / interest income		4,078,566	3,528,132
Provision against non-performing loans and advances		(88,998)	(162,098)
Provision for diminution in the value of investments		—	—
Bad debts written-off directly		—	—
		(88,998)	(162,098)
Net mark-up / return / interest income after provisions		3,989,568	3,366,034
NON MARK-UP / INTEREST INCOME			
Fees, commission and brokerage income		460,090	417,967
Dividend income		118,638	61,614
Income from dealing in foreign currencies		263,296	129,625
Gain on sale / redemption of securities - net		3	61,455
Unrealised gain / (loss) on revaluation of investments classified as held for trading		—	—
Other income		146,687	130,736
Total non mark-up / interest income		988,714	801,397
		4,978,282	4,167,431
NON MARK-UP / INTEREST EXPENSES			
Administrative expenses		(2,895,146)	(2,362,049)
Other provisions / write-offs		(4,625)	(10,372)
Other charges		(41,570)	(35,373)
Total non mark-up / interest expenses		(2,941,341)	(2,407,794)
		2,036,941	1,759,637
Extra-ordinary / unusual items		—	—
PROFIT BEFORE TAXATION		2,036,941	1,759,637
Taxation - Current		(776,606)	(605,748)
- Prior years		—	—
- Deferred		93,419	2,159
		(683,187)	(603,589)
PROFIT AFTER TAXATION		1,353,754	1,156,048
			Restated
Basic and diluted earnings per share – Rupees	14	1.22	1.04

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

ABBAS D. HABIB
*Chief Executive and
Managing Director*

SYED MAZHAR ABBAS
Director

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Director

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Director



**Interim Condensed Statement of Comprehensive Income (Un-Audited)
For the Three Months Period Ended 31 March 2014**

	Three months period ended	
	31-March 2014	31-March 2013
	(Rupees in '000)	
Net profit for the period	1,353,754	1,156,048
Other comprehensive income		
<i>Items to be reclassified to profit and loss in subsequent periods:</i>		
Effect of foreign currency translation of net investment in foreign operations	(113,098)	12,609
<i>Items not to be reclassified to profit and loss in subsequent periods:</i>		
Actuarial loss on defined benefit plan	-	-
Income tax effect	-	-
	-	-
Total comprehensive income for the period	1,240,656	1,168,657

Surplus arising on revaluation of fixed assets and available for sale investments is required to be shown separately below equity as 'Surplus on revaluation of assets' in accordance with the requirements specified by the State Bank of Pakistan (SBP). Accordingly, these have not been recognised as other comprehensive income / expenses.

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

ABBAS D. HABIB
*Chief Executive and
Managing Director*

SYED MAZHAR ABBAS
Director

SHAMEEM AHMED
Director

ANWAR HAJI KARIM
Director



**Interim Condensed Statement of Changes in Equity (Un-Audited)
For the Three Months Period Ended 31 March 2014**

	Share Capital	Statutory Reserve	Revenue Reserves Special Reserve	General Reserve	Foreign Currency Translation Reserve	Unapp- ropriated Profit	Total
	(Rupees in '000)						
Balance as at 01 January 2013	10,103,868	5,630,172	126,500	540,000	167,874	4,489,642	21,058,056
Profit for the period	-	-	-	-	-	1,156,048	1,156,048
Other comprehensive income	-	-	-	-	12,609	-	12,609
Total comprehensive income for the period	-	-	-	-	12,609	1,156,048	1,168,657
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	9,332	9,332
Transfer to statutory reserve	-	231,210	-	-	-	(231,210)	-
Cash dividend (Rs. 3 per share)	-	-	-	-	-	(3,031,160)	(3,031,160)
Balance as at 31 March 2013	10,103,868	5,861,382	126,500	540,000	180,483	2,392,652	19,204,885
Profit for the period	-	-	-	-	-	3,998,501	3,998,501
Other comprehensive income	-	-	-	-	59,562	(63,462)	(3,900)
Total comprehensive income for the period	-	-	-	-	59,562	3,935,039	3,994,601
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	27,996	27,996
Transfer to statutory reserve	-	801,480	-	-	-	(801,480)	-
Balance as at 31 December 2013	10,103,868	6,662,862	126,500	540,000	240,045	5,554,207	23,227,482
Profit for the period	-	-	-	-	-	1,353,754	1,353,754
Other comprehensive income	-	-	-	-	(113,098)	-	(113,098)
Total comprehensive income for the period	-	-	-	-	(113,098)	1,353,754	1,240,656
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	9,332	9,332
Transfer to statutory reserve	-	270,751	-	-	-	(270,751)	-
Cash dividend (Rs. 2 per share)	-	-	-	-	-	(2,020,772)	(2,020,772)
Issue of bonus shares in the ratio of 10 shares for 100 shares held	1,010,386	-	-	-	-	(1,010,386)	-
Balance as at 31 March 2014	11,114,254	6,933,613	126,500	540,000	126,947	3,615,384	22,456,698

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

ABBAS D. HABIB
Chief Executive and
Managing Director

SYED MAZHAR ABBAS
Director

SHAMEEM AHMED
Director

ANWAR HAJI KARIM
Director



**Interim Condensed Cash Flow Statement (Un-Audited)
For the Three Months Period Ended 31 March 2014**

		31-March 2014	31-March 2013
		(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES	Note		
Profit before taxation		2,036,941	1,759,637
Dividend income		(118,638)	(61,614)
		1,918,303	1,698,023
Adjustments for non-cash items:			
Depreciation		237,375	213,294
Amortisation		14,379	12,131
Provision against non-performing loans and advances		88,998	162,098
Gain on sale / redemption of securities		(3)	(61,455)
Provision for defined benefit plan		42,000	30,000
Provision for compensated absences		12,062	5,055
Gain on sale of operating fixed assets		(41,579)	(20,219)
Provision against off-balance sheet items		4,625	10,372
		357,857	351,276
		2,276,160	2,049,299
(Increase) / decrease in operating assets			
Lendings to financial institutions		—	993,981
Advances		(162,680)	5,608,667
Other assets		(977,259)	957,394
		(1,139,939)	7,560,042
(Decrease) / increase in operating liabilities			
Bills payable		(462,838)	(18,603)
Borrowings		18,712,058	(13,199,983)
Deposits and other accounts		10,386,678	5,896,955
Other liabilities (excluding provision for taxation)		926,649	(168,170)
		29,562,547	(7,489,801)
		30,698,768	2,119,540
Income tax paid		(574,340)	(644,736)
Net cash flow from operating activities		30,124,428	1,474,804
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available for sale securities		(49,455,243)	(11,639,309)
Net investments in held to maturity securities		17,479,971	5,185,634
Dividend received		53,301	33,559
Investments in operating fixed assets		(215,279)	(226,708)
Sale proceeds of operating fixed assets		43,906	23,059
Net cash used in investing activities		(32,093,344)	(6,623,765)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of sub-ordinated loans		(700)	(700)
Dividend paid		(1,245,551)	(1,219,076)
Net cash used in financing activities		(1,246,251)	(1,219,776)
Exchange adjustment on translation of net investment in foreign operations		(113,098)	12,609
Decrease in cash and cash equivalents		(3,328,265)	(6,356,128)
Cash and cash equivalents at the beginning of the period		34,862,407	37,209,056
Cash and cash equivalents at the end of the period	15	31,534,142	30,852,928

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

ABBAS D. HABIB
*Chief Executive and
Managing Director*

SYED MAZHAR ABBAS
Director

SHAMEEM AHMED
Director

ANWAR HAJI KARIM
Director



**Notes to the Interim Condensed Financial Statements (Un-Audited)
For the Three Months Period Ended 31 March 2014**

1. STATUS AND NATURE OF BUSINESS

Bank AL Habib Limited (the Bank) was incorporated in Pakistan on 15 October 1991 as a public limited company under the Companies Ordinance, 1984 having its registered office at 126-C, Old Bahawalpur Road, Multan with principal place of business in Karachi. Its shares are listed on all the Stock Exchanges in Pakistan. It is a scheduled bank principally engaged in the business of commercial banking with a network of 323 branches (31 December 2013: 320 branches), 96 sub-branches (31 December 2013: 96) and 03 representative offices (31 December 2013: 03). The branch network of the Bank includes 03 offshore branches (31 December 2013: 02) and 17 Islamic Banking branches (31 December 2013: 17).

2. STATEMENT OF COMPLIANCE

- 2.1 These interim condensed financial statements have been prepared, in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and regulations / directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.
- 2.2 SBP vide BSD Circular No. 10, dated 26 August 2002 has deferred the applicability of IAS 39, "Financial Instruments: Recognition and Measurement" and IAS 40, "Investment Property" for banking companies till further instructions. Further, according to the notification of SECP dated 28 April 2008, International Financial Reporting Standard (IFRS) - 7 "Financial Instruments: Disclosure" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified, accounted for and valued in accordance with the requirement of various circulars issued by SBP.
- 2.3 The disclosures made in these interim condensed financial statements have been limited based on the format prescribed by SBP vide BSD Circular Letter No. 2, dated 12 May 2004 and IAS 34 "Interim Financial Reporting" and do not include all the information required in the annual financial statements. Accordingly, these interim condensed financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2013.
- 2.4 These are separate interim condensed financial statements of the Bank in which investments in subsidiary and associates are reported on the basis of direct equity interest and are not consolidated or accounted for by using equity method of accounting.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2013.



Note	31-March 2014 (Un-Audited)			31-December 2013 (Audited)		
	Held by Bank	Given as Collateral	Total	Held by Bank	Given as Collateral	Total
	(Rupees in '000)					

4. INVESTMENTS

Available for Sale Securities

Market Treasury Bills	130,701,156	30,584,669	161,285,825	101,159,729	10,933,027	112,092,756
Pakistan Investment Bonds	12,432,375	-	12,432,375	12,412,522	-	12,412,522
Foreign Currency Bonds	1,874,036	-	1,874,036	1,782,395	-	1,782,395
Sukuks	3,237,925	-	3,237,925	3,300,425	-	3,300,425
Ordinary shares of listed companies	2,595,469	-	2,595,469	2,528,063	-	2,528,063
Ordinary shares of unlisted companies	39,570	-	39,570	39,570	-	39,570
Listed term finance certificates	540,402	-	540,402	544,625	-	544,625
Unlisted term finance certificates	2,532,720	-	2,532,720	2,532,720	-	2,532,720
Open ended mutual funds	1,325,000	-	1,325,000	1,175,000	-	1,175,000
	155,278,653	30,584,669	185,863,322	125,475,049	10,933,027	136,408,076

Held to Maturity Securities 4.1

Market Treasury Bills	24,891,850	-	24,891,850	83,858,220	-	83,858,220
Pakistan Investment Bonds	59,145,070	-	59,145,070	17,654,496	-	17,654,496
Sukuks	211,342	-	211,342	211,342	-	211,342
Listed term finance certificates	91,002	-	91,002	95,177	-	95,177
	84,339,264	-	84,339,264	101,819,235	-	101,819,235

Associates

Habib Sugar Mills Limited	180,977	-	180,977	180,977	-	180,977
Habib Asset Management Limited	60,000	-	60,000	60,000	-	60,000
First Habib Income Fund	250,000	-	250,000	250,000	-	250,000
First Habib Stock Fund	50,000	-	50,000	50,000	-	50,000
First Habib Cash Fund	300,000	-	300,000	300,000	-	300,000
First Habib Islamic Balanced Fund	25,000	-	25,000	25,000	-	25,000
	865,977	-	865,977	865,977	-	865,977

Subsidiary

AL Habib Capital Markets (Private) Limited	200,000	-	200,000	200,000	-	200,000
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Investments at cost	240,683,894	30,584,669	271,268,563	228,360,261	10,933,027	239,293,288
Provision for diminution in the value of investments	(5,700)	-	(5,700)	(5,700)	-	(5,700)

Investments (net of provisions)	240,678,194	30,584,669	271,262,863	228,354,561	10,933,027	239,287,588
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Surplus / (deficit) on revaluation of available for sale investments - net 10.2	800,995	(10,180)	790,815	474,019	(8,754)	465,265
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Investments after revaluation of available for sale investments	241,479,189	30,574,489	272,053,678	228,828,580	10,924,273	239,752,853
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4.1 The aggregate market value of held to maturity securities as at 31 March 2014 amounts to Rs. 84,932 (31 December 2013: 101,709) million.



	31-March 2014 (Un-Audited) Note	31-December 2013 (Audited) (Rupees in '000)
5. ADVANCES		
Loans, cash credits, running finances, etc.		
In Pakistan	143,922,284	139,648,282
Outside Pakistan	6,937,325	7,812,380
	150,859,609	147,460,662
Net investment in finance lease / ijarah financing		
In Pakistan	1,513,314	985,898
Outside Pakistan	—	—
	1,513,314	985,898
Ijarah financing under IFAS 2	416,369	202,296
Murabaha	2,997,104	4,723,489
Bills discounted and purchased (excluding market treasury bills)		
Payable in Pakistan	1,782,837	2,044,993
Payable outside Pakistan	16,228,330	18,245,217
	18,011,167	20,290,210
Advances - gross	173,797,563	173,662,555
Provision against non-performing loans and advances		
Specific provision	5.1 (3,602,304)	(3,543,124)
General provision against consumer advances (as per SBP regulations)	5.2 (42,217)	(40,071)
General provision	5.3 (2,500,000)	(2,500,000)
	(6,144,521)	(6,083,195)
Advances - net of provisions	167,653,042	167,579,360

5.1 Advances include Rs. 4,324.321 (31 December 2013: Rs. 3,699.903) million which have been placed under non-performing status as detailed below:

31-March 2014 (Un-Audited)									
Classified advances			Provision required			Provision held			
Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total	
(Rupees in '000)									
Category of classification									
Other assets especially mentioned	22,432	—	22,432	1,443	—	1,443	1,443	—	1,443
Substandard	755,475	—	755,475	188,462	—	188,462	188,462	—	188,462
Doubtful	82,338	—	82,338	41,177	—	41,177	41,177	—	41,177
Loss	3,062,818	401,258	3,464,076	2,969,964	401,258	3,371,222	2,969,964	401,258	3,371,222
	3,923,063	401,258	4,324,321	3,201,046	401,258	3,602,304	3,201,046	401,258	3,602,304



31-December 2013 (Audited)

	Classified advances			Provision required			Provision held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
				(Rupees in '000)					
Category of classification									
Other assets especially mentioned	16,121	-	16,121	-	-	-	-	-	-
Substandard	56,807	-	56,807	14,208	-	14,208	14,208	-	14,208
Doubtful	98,528	-	98,528	49,264	-	49,264	49,264	-	49,264
Loss	3,099,517	428,930	3,528,447	3,050,722	428,930	3,479,652	3,050,722	428,930	3,479,652
	<u>3,270,973</u>	<u>428,930</u>	<u>3,699,903</u>	<u>3,114,194</u>	<u>428,930</u>	<u>3,543,124</u>	<u>3,114,194</u>	<u>428,930</u>	<u>3,543,124</u>

- 5.2 The Bank has made general provision for consumer portfolio as required by SBP's Prudential Regulations amounting to Rs. 42.217 (31 December 2013: Rs. 40.071) million.
- 5.3 In line with its prudent policies, the Bank has also made general provision of Rs. 2,500 (31 December 2013: Rs. 2,500) million against its loans and advances portfolio. This general provision is in addition to the requirements of the Prudential Regulations.

Three months period ended

31-March 2014 **31-March 2013**
(Un-Audited)
(Rupees in '000)

6. OPERATING FIXED ASSETS

6.1 Additions during the period - at cost:

Buildings on leasehold land	7,252	30,070
Improvements to leasehold buildings	21,124	42,168
Furniture and fixtures	11,970	11,313
Electrical, office and computer equipments	66,214	48,113
Vehicles	25,275	57,018
Intangible assets	25,955	16,254
	<u>157,790</u>	<u>204,936</u>

6.2 Deletions during the period - at cost:

Furniture and fixtures	686	4,721
Electrical, office and computer equipments	26,010	32,702
Vehicles	46,790	26,595
	<u>73,486</u>	<u>64,018</u>



	31-March 2014 (Un-Audited)	31-December 2013 (Audited)
(Rupees in '000)		
7. BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan		
Export refinance scheme	12,871,062	15,065,898
Long term financing for export oriented projects	128,799	156,637
Long term financing for imported and locally manufactured plant and machinery	3,360,547	3,225,277
Financing facility for storage of agricultural produce	96,093	120,727
	16,456,501	18,568,539
Repurchase agreement borrowings	30,553,227	10,911,487
	47,009,728	29,480,026
Unsecured		
Overdrawn nostros	663,175	—
Borrowings from financial institutions	1,182,356	—
	1,845,531	—
	48,855,259	29,480,026
8. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	86,680,665	82,536,366
Savings deposits	124,756,571	124,273,324
Current accounts - Remunerative	48,496,701	41,157,487
Current accounts - Non-remunerative	126,697,444	124,061,833
	386,631,381	372,029,010
Financial institutions		
Remunerative deposits	9,076,374	13,448,880
Non-remunerative deposits	839,685	682,872
	9,916,059	14,131,752
	396,547,440	386,160,762



	31-March 2014 (Un-Audited)	31-December 2013 (Audited)
Note		(Rupees in '000)

9. SUB-ORDINATED LOANS - unsecured

Term Finance Certificates (TFCs) - II - (Quoted)	9.1	1,495,800	1,496,100
Term Finance Certificates (TFCs) - III - (Unquoted)	9.2	1,992,400	1,992,800
Term Finance Certificates (TFCs) - IV - (Unquoted)	9.3	2,997,000	2,997,000
		6,485,200	6,485,900

9.1 Term Finance Certificates - II (Quoted)

Total issue	Rupees 1,500 million
Rating	AA
Rate	Payable six monthly at average six months' KIBOR plus 1.95% without any floor and cap
Redemption	6 - 84th month: 0.28%; 90th and 96th month: 49.86% each
Tenor	8 years
Maturity	February 2015

9.2 Term Finance Certificates - III (Unquoted)

Total issue	Rupees 2,000 million
Rating	AA
Rate	Payable three monthly at 15.50% p.a. for first 5 years and 16.00% p.a. for next 3 years
Redemption	3rd - 84th month: 0.56%; 87th, 90th, 93rd and 96th month: 24.86% each
Tenor	8 years
Maturity	June 2017

9.3 Term Finance Certificates - IV (Unquoted)

Total issue	Rupees 3,000 million
Rating	AA
Rate	Payable six monthly at 15.00% p.a. for first 5 years and 15.50% p.a. for next 5 years
Redemption	6th - 108th month: 0.36%; 114th and 120th month: 49.82% each
Tenor	10 years
Maturity	June 2021



		31-March 2014 (Un-Audited) (Rupees in '000)	31-December 2013 (Audited) (Rupees in '000)
	Note		
10. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
Operating fixed assets	10.1	1,713,580	1,722,912
Available for sale investments	10.2	549,950	331,657
		2,263,530	2,054,569
10.1 Operating fixed assets			
Surplus on revaluation of land and buildings		2,304,524	2,318,881
Related deferred tax liability		(590,944)	(595,969)
		1,713,580	1,722,912
10.2 Available for sale investments			
Federal Government Securities		354,002	190,125
Fully paid-up ordinary shares		275,767	179,418
Term finance certificates, sukuks and bonds		5,396	3,979
Open ended mutual funds		155,650	91,743
		790,815	465,265
Related deferred tax liability		(240,865)	(133,608)
		549,950	331,657
11. CONTINGENCIES AND COMMITMENTS			
11.1 Direct Credit Substitutes			
Financial institutions		228,238	308,098
Others		159,715	171,805
		387,953	479,903
11.2 Transaction-related Contingent Liabilities			
Government		15,345,598	13,305,949
Financial institutions		221,733	238,651
Others		5,955,643	6,112,025
		21,522,974	19,656,625



	31-March 2014 (Un-Audited)	31-December 2013 (Audited)
	(Rupees in '000)	
11.3 Trade-related Contingent Liabilities		
Letters of credit	72,075,512	70,207,859
Acceptances	8,051,105	6,895,498
	80,126,617	77,103,357
11.4 Commitments in respect of forward lending		
Commitments to extend credit (excluding commitments that are unilaterally cancellable)	3,826,741	1,130,970
11.5 Commitments in respect of forward exchange contracts		
Purchase	27,802,920	23,468,276
Sale	22,221,572	20,363,924
11.6 Commitments for the acquisition of operating fixed assets	110,079	144,931
	Three months period ended	
	31-March 2014 (Un-Audited)	31-March 2013
	(Rupees in '000)	
12. MARK-UP / RETURN / INTEREST EARNED		
On loans and advances to:		
Customers	3,713,025	3,366,105
Financial institutions	60,914	22,134
	3,773,939	3,388,239
On investments:		
Available for sale securities	3,338,683	4,571,249
Held to maturity securities	2,531,962	1,691,339
	5,870,645	6,262,588
On deposits with financial institutions	18,828	17,974
On securities purchased under resale agreements	17,514	15,236
On call money lendings	22	591
	9,680,948	9,684,628



	Three months period ended	
	31-March	31-March
	2014	2013
	(Un-Audited)	
	(Rupees in '000)	
13. MARK-UP / RETURN / INTEREST EXPENSED		
Deposits	4,700,858	4,473,127
Sub-ordinated loans	230,098	232,333
Repurchase agreement borrowings	217,956	999,377
Borrowings from SBP	366,829	362,646
Others	86,641	89,013
	5,602,382	6,156,496
14. BASIC AND DILUTED EARNINGS PER SHARE		
Profit after taxation	1,353,754	1,156,048
	(Number)	
	Restated	
Weighted average number of ordinary shares	1,111,425,416	1,111,425,416
	(Rupees)	
	Restated	
Basic and diluted earnings per share	1.22	1.04
	Three months period ended	
	31-March	31-March
	2014	2013
	(Un-Audited)	
	(Rupees in '000)	
15. CASH AND CASH EQUIVALENTS		
Cash and balances with treasury banks	30,812,278	26,372,824
Balances with other banks	1,385,039	5,471,756
Overdrawn nostros	(663,175)	(991,652)
	31,534,142	30,852,928
16. RELATED PARTY TRANSACTIONS		
Related parties of the Bank comprise subsidiary, associates (including entities having directors in common with the Bank), retirement benefit funds, major shareholders, directors and key management personnel and their close family members.		
Transactions with related parties are carried out on an arm's length basis in terms of the policy as approved by the Board of Directors. The transactions with employees of the Bank are carried out in accordance with the terms of their employment.		



Transactions for the period / year and balances outstanding as at the period / year end with related parties are summarised as below:

31-March 2014 (Un-Audited)						
	Subsidiary	Associates	Non Executive Directors	Key Management Personnel	Retirement Benefit Funds	Total
	(Rupees in '000)					
Deposits						
At the beginning of the period	61,957	1,813,814	142,104	368,941	174,811	2,561,627
Placements during the period	232,163	22,064,590	311,567	399,248	2,285,567	25,293,135
Withdrawals during the period	(154,864)	(22,662,949)	(299,134)	(334,958)	(2,352,307)	(25,804,212)
At the end of the period	139,256	1,215,455	154,537	433,231	108,071	2,050,550
Advances						
At the beginning of the period	19,720	1,282,655	126	37,822	–	1,340,323
Given during the period	1,177,714	5,940,386	1,179	7,811	–	7,127,090
Repaid during the period	(1,158,639)	(5,750,935)	(1,116)	(7,666)	–	(6,918,356)
At the end of the period	38,795	1,472,106	189	37,967	–	1,549,057
Investments						
At the beginning of the period	200,000	865,977	–	–	–	1,065,977
Investments made during the period	–	–	–	–	–	–
Redeemed during the period	–	–	–	–	–	–
At the end of the period	200,000	865,977	–	–	–	1,065,977
Contingencies and commitments	–	991,763	–	–	–	991,763
31-December 2013 (Audited)						
	Subsidiary	Associates	Non Executive Directors	Key Management Personnel	Retirement Benefit Funds	Total
	(Rupees in '000)					
Deposits						
At the beginning of the year	6,320	1,691,582	146,594	294,767	151,603	2,290,866
Placements during the year	1,950,871	76,167,530	767,897	1,186,282	4,538,194	84,610,774
Withdrawals during the year	(1,895,234)	(76,045,298)	(772,387)	(1,112,108)	(4,514,986)	(84,340,013)
At the end of the year	61,957	1,813,814	142,104	368,941	174,811	2,561,627
Advances						
At the beginning of the year	7,166	1,615,380	351	28,605	–	1,651,502
Given during the year	9,123,600	20,955,131	3,025	45,862	–	30,127,618
Repaid during the year	(9,111,046)	(21,287,856)	(3,250)	(36,645)	–	(30,438,797)
At the end of the year	19,720	1,282,655	126	37,822	–	1,340,323
Investments						
At the beginning of the year	200,000	1,139,727	–	–	–	1,339,727
Investments made during the year	–	647,501	–	–	–	647,501
Redeemed during the year	–	(921,251)	–	–	–	(921,251)
At the end of the year	200,000	865,977	–	–	–	1,065,977
Contingencies and commitments	–	721,649	–	–	–	721,649



Three months period ended 31-March 2014 (Un-Audited)

Subsidiary	Associates	Non Executive Directors	Key Management Personnel	Retirement Benefit Funds	Total
(Rupees in '000)					
Purchase of fixed assets	—	—	—	—	—
Mark-up earned	196	32,682	—	530	33,408
Mark-up expensed	73	18,189	1,624	6,539	30,466
Bank charges and commission	1	1,158	4	23	1,186
Salaries and allowances	—	—	—	52,223	52,223
Bonus	—	—	—	10,052	10,052
Contribution to defined contribution plan	—	—	—	2,478	2,478
Contribution to defined benefit plan	—	—	—	3,356	3,356
Staff provident fund	—	—	—	47,163	47,163
Staff gratuity fund	—	—	—	42,000	42,000
Directors' fee	—	—	750	—	750
Insurance claim received	—	2,800	—	—	2,800
Insurance premium paid	—	30,186	—	—	30,186
Dividend income	—	23,416	—	—	23,416
Rental income	525	—	—	—	525
Commission expensed	47	—	—	—	47
Other expenses	100	1,143	—	—	1,243
Other income	125	—	—	—	125

Three months period ended 31-March 2013 (Un-Audited)

Subsidiary	Associates	Non Executive Directors	Key Management Personnel	Retirement Benefit Funds	Total
(Rupees in '000)					
Purchase of fixed assets	—	536	—	—	536
Mark-up earned	412	37,212	—	375	37,999
Mark-up expensed	106	17,310	1,719	3,814	27,392
Bank charges and commission	—	1,319	15	20	1,354
Salaries and allowances	—	—	—	42,841	42,841
Bonus	—	—	—	8,135	8,135
Contribution to defined contribution plan	—	—	—	1,855	1,855
Contribution to defined benefit plan	—	—	—	2,139	2,139
Staff provident fund	—	—	—	39,736	39,736
Staff gratuity fund	—	—	—	30,000	30,000
Directors' fee	—	—	400	—	400
Insurance claim received	—	3,048	—	—	3,048
Insurance premium paid	—	33,681	—	—	33,681
Dividend income	—	23,605	—	—	23,605
Rental income	811	—	—	—	811
Commission expensed	273	—	—	—	273
Other expenses	180	—	—	—	180
Other income	125	—	—	—	125



17. ISLAMIC BANKING BUSINESS

The Bank is operating 17 (31 December 2013: 17) Islamic Banking branches in Pakistan. The statement of financial position of these branches as at 31 March 2014 is as follows:

		31-March 2014 (Un-Audited)	31-December 2013 (Audited)
	Note	(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		450,913	363,446
Balances with and due from financial institutions		32,774	35,677
Investments		1,665,431	1,493,818
Islamic financing and related assets	17.1	8,739,112	10,647,906
Operating fixed assets		65,649	62,567
Other assets		257,734	359,340
		11,211,613	12,962,754
LIABILITIES			
Bills payable		112,684	112,276
Due to financial institutions		487,292	1,643,761
Deposits and other accounts		7,968,952	8,617,703
– Current accounts		2,186,967	2,198,218
– Saving accounts		1,587,119	1,420,729
– Term deposits		3,567,131	3,380,965
– Others		17,200	11,348
– Deposits from financial institutions-remunerative		609,577	1,605,680
– Deposits from financial institutions-non-remunerative		958	763
Due to Head office		1,108,236	990,000
Other liabilities		351,290	293,351
		(10,028,454)	(11,657,091)
NET ASSETS		1,183,159	1,305,663
REPRESENTED BY:			
Islamic banking fund		1,100,000	1,000,000
Unremitted profit		78,993	301,343
		1,178,993	1,301,343
Surplus on revaluation of assets		4,166	4,320
		1,183,159	1,305,663



	31-March 2014 (Un-Audited)	31-December 2013 (Audited)
	(Rupees in '000)	
17.1 Islamic financing and related assets		
Murabaha	2,786,729	4,684,555
Net book value of assets / investments in ijarah under IFAS 2	416,369	202,296
Diminishing musharika	3,067,791	3,056,660
Export refinance murabaha	210,375	38,934
Export refinance istisna	304,926	1,517,077
Istisna	1,377,410	651,646
Gross financing	8,163,600	10,151,168
Less: general provisioning against consumer financing	(523)	(523)
Net financing	8,163,077	10,150,645
Advance against murabaha	547,986	449,831
Advance against ijarah	28,049	47,430
Islamic financing and related assets - net off provision	8,739,112	10,647,906
17.1.1 Islamic financing and related assets		
Financings / inventory / receivables	8,163,600	10,151,168
Advances	576,035	497,261
Less: general provisioning against consumer financing	(523)	(523)
	8,739,112	10,647,906



18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Three months period ended 31-March 2014 (Un-Audited)			
	Retail Banking	Commercial Banking	Inter Segment Elimination	Total
	(Rupees in '000)			
Total income	3,728,268	9,250,644	(2,309,250)	10,669,662
Total expenses	(2,413,086)	(8,528,885)	2,309,250	(8,632,721)
Net income	1,315,182	721,759	–	2,036,941
	As of 31-March 2014 (Un-Audited)			
Segment assets	365,247,312	475,666,371	(349,530,672)	491,383,011
Segment liabilities	363,906,301	452,287,154	(349,530,672)	466,662,783
	Three months period ended 31-March 2013 (Un-Audited)			
	Retail Banking	Commercial Banking	Inter Segment Elimination	Total
	(Rupees in '000)			
Total income	4,624,521	9,749,347	(3,887,843)	10,486,025
Total expenses	(4,104,236)	(8,509,995)	3,887,843	(8,726,388)
Net income	520,285	1,239,352	–	1,759,637
	As of 31-March 2013 (Un-Audited)			
Segment assets	319,025,659	429,142,917	(302,205,260)	445,963,316
Segment liabilities	317,597,912	408,900,033	(302,205,260)	424,292,685

19. DATE OF AUTHORISATION

These interim condensed financial statements were authorised for issue by the Board of Directors in their meeting held on April 28, 2014.

20. GENERAL

20.1 Figures have been rounded off to the nearest thousand rupees.

20.2 Corresponding figures have been re-arranged / re-classified wherever necessary, for the purpose of comparison. There are no major reclassification to report.

ABBAS D. HABIB
Chief Executive and
Managing Director

SYED MAZHAR ABBAS
Director

SHAMEEM AHMED
Director

ANWAR HAJI KARIM
Director



Consolidated Financial Statements

Bank AL Habib Limited

and

Subsidiary Company



**Consolidated Interim Condensed Statement of Financial Position
As at 31 March 2014**

		31-March 2014 (Un-Audited) (Rupees in '000)	31-December 2013 (Audited)
	Note		
ASSETS			
Cash and balances with treasury banks		30,812,287	32,199,552
Balances with other banks		1,389,914	2,664,729
Lendings to financial institutions		—	—
Investments	4	272,291,734	239,986,042
Advances	5	167,626,209	167,569,070
Operating fixed assets	6	11,779,372	11,815,577
Deferred tax assets		—	—
Other assets		7,783,111	6,786,943
		491,682,627	461,021,913
LIABILITIES			
Bills payable		5,710,264	6,173,102
Borrowings	7	48,855,259	29,480,026
Deposits and other accounts	8	396,408,221	386,098,828
Sub-ordinated loans	9	6,485,200	6,485,900
Liabilities against assets subject to finance lease		—	—
Deferred tax liabilities		1,655,038	1,642,923
Other liabilities		7,543,081	5,559,900
		466,657,063	435,440,679
NET ASSETS		25,025,564	25,581,234
REPRESENTED BY :			
Share capital		11,114,254	10,103,868
Reserves		7,727,060	7,569,407
Unappropriated profit		3,758,528	5,703,859
Equity attributable to the shareholders of the Holding company		22,599,842	23,377,134
Non-controlling interest		108,765	109,744
Total equity		22,708,607	23,486,878
Surplus on revaluation of assets - net of tax	10	2,316,957	2,094,356
		25,025,564	25,581,234
CONTINGENCIES AND COMMITMENTS	11		

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

ABBAS D. HABIB
*Chief Executive and
Managing Director*

SYED MAZHAR ABBAS
Director

SHAMEEM AHMED
Director

ANWAR HAJI KARIM
Director



**Consolidated Interim Condensed Profit and Loss Account (Un-Audited)
For the Three Months Period Ended 31 March 2014**

		Three months period ended	
		31-March 2014	31-March 2013
	Note	(Rupees in '000)	
Mark-up / return / interest earned	12	9,680,783	9,684,219
Mark-up / return / interest expensed	13	(5,602,313)	(6,156,389)
Net mark-up / return / interest income		4,078,470	3,527,830
Provision against non-performing loans and advances		(88,998)	(162,098)
Provision for diminution in the value of investments		—	—
Bad debts written-off directly		—	—
		(88,998)	(162,098)
Net mark-up / return / interest income after provisions		3,989,472	3,365,732
NON MARK-UP / INTEREST INCOME			
Fees, commission and brokerage income		466,068	424,615
Dividend income		96,090	38,892
Income from dealing in foreign currencies		263,296	129,625
Gain on sale / redemption of securities - net		436	65,380
Unrealised gain / (loss) on revaluation of investments classified as held for trading		—	—
Share of profit from associates		18,867	25,741
Other income		147,114	130,303
Total non mark-up / interest income		991,871	814,556
		4,981,343	4,180,288
NON MARK-UP / INTEREST EXPENSES			
Administrative expenses		(2,907,276)	(2,371,476)
Other provisions / write-offs		(4,625)	(10,372)
Other charges		(41,570)	(35,373)
Total non mark-up / interest expenses		(2,953,471)	(2,417,221)
		2,027,872	1,763,067
Extra-ordinary / unusual items		—	—
PROFIT BEFORE TAXATION		2,027,872	1,763,067
Taxation - Current		(776,745)	(605,814)
- Prior years		—	—
- Deferred		95,140	1,490
		(681,605)	(604,324)
PROFIT AFTER TAXATION		1,346,267	1,158,743
Attributable to:			
Shareholders of the Holding company		1,347,246	1,158,556
Non-controlling interest		(979)	187
		1,346,267	1,158,743
Basic and diluted earnings per share attributable to shareholders of the Holding company - Rupees			
	14	1.21	Restated 1.04

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

ABBAS D. HABIB	SYED MAZHAR ABBAS	SHAMEEM AHMED	ANWAR HAJI KARIM
<i>Chief Executive and Managing Director</i>	<i>Director</i>	<i>Director</i>	<i>Director</i>



**Consolidated Interim Condensed Statement of Comprehensive Income (Un-Audited)
For the Three Months Period Ended 31 March 2014**

	Three months period ended	
	31-March 2014	31-March 2013
	(Rupees in '000)	
Net profit for the period	1,346,267	1,158,743
Other comprehensive income		
<i>Items to be reclassified to profit and loss in subsequent periods:</i>		
Effect of foreign currency translation of net investment in foreign operations	(113,098)	12,609
<i>Items not to be reclassified to profit and loss in subsequent periods:</i>		
Actuarial loss on defined benefit plan	—	—
Income tax effect	—	—
	—	—
Total comprehensive income for the period	1,233,169	1,171,352
Attributable to:		
Shareholders of the Holding company	1,234,148	1,171,165
Non-controlling interest	(979)	187
	1,233,169	1,171,352

Surplus arising on revaluation of fixed assets and available for sale investments is required to be shown separately below equity as 'Surplus on revaluation of assets' in accordance with the requirements specified by the State Bank of Pakistan (SBP). Accordingly, these have not been recognised as other comprehensive income / expenses.

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

ABBAS D. HABIB
**Chief Executive and
Managing Director**

SYED MAZHAR ABBAS
Director

SHAMEEM AHMED
Director

ANWAR HAJI KARIM
Director



**Consolidated Interim Condensed Statement of Changes in Equity (Un-Audited)
For the Three Months Period Ended 31 March 2014**

	Attributable to the shareholders of the Holding Company							Non-controlling Interest	Total Equity
	Share Capital	Statutory Reserve	Revenue Reserves		Foreign Currency Translation Reserve	Unappropriated Profit	Total		
			Special Reserve	General Reserve					
	(Rupees in '000)								
Balance as at 01 January 2013	10,103,868	5,630,172	126,500	540,000	167,874	4,598,577	21,166,991	106,753	21,273,744
Profit for the period	-	-	-	-	-	1,158,556	1,158,556	187	1,158,743
Other comprehensive income	-	-	-	-	12,609	-	12,609	-	12,609
Total comprehensive income for the period	-	-	-	-	12,609	1,158,556	1,171,165	187	1,171,352
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	9,332	9,332	-	9,332
Transfer to statutory reserve	-	231,210	-	-	-	(231,210)	-	-	-
Cash dividend (Rs. 3 per share)	-	-	-	-	-	(3,031,160)	(3,031,160)	-	(3,031,160)
Balance as at 31 March 2013	10,103,868	5,861,382	126,500	540,000	180,483	2,504,095	19,316,328	106,940	19,423,268
Profit for the period	-	-	-	-	-	4,036,710	4,036,710	2,804	4,039,514
Other comprehensive income	-	-	-	-	59,562	(63,462)	(3,900)	-	(3,900)
Total comprehensive income for the period	-	-	-	-	59,562	3,973,248	4,032,810	2,804	4,035,614
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	27,996	27,996	-	27,996
Transfer to statutory reserve	-	801,480	-	-	-	(801,480)	-	-	-
Balance as at 31 December 2013	10,103,868	6,662,862	126,500	540,000	240,045	5,703,859	23,377,134	109,744	23,486,878
Profit for the period	-	-	-	-	-	1,347,246	1,347,246	(979)	1,346,267
Other comprehensive income	-	-	-	-	(113,098)	-	(113,098)	-	(113,098)
Total comprehensive income for the period	-	-	-	-	(113,098)	1,347,246	1,234,148	(979)	1,233,169
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	9,332	9,332	-	9,332
Transfer to statutory reserve	-	270,751	-	-	-	(270,751)	-	-	-
Cash dividend (Rs. 2 per share)	-	-	-	-	-	(2,020,772)	(2,020,772)	-	(2,020,772)
Issue of bonus shares in the ratio of 10 shares for 100 shares held	1,010,386	-	-	-	-	(1,010,386)	-	-	-
Balance as at 31 March 2014	11,114,254	6,933,613	126,500	540,000	126,947	3,758,528	22,599,842	108,765	22,708,607

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

ABBAS D. HABIB
Chief Executive and
Managing Director

SYED MAZHAR ABBAS
Director

SHAMEEM AHMED
Director

ANWAR HAJI KARIM
Director



**Consolidated Interim Condensed Cash Flow Statement (Un-Audited)
For the Three Months Period Ended 31 March 2014**

		31-March 2014	31-March 2013
		(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES	Note		
Profit before taxation		2,027,872	1,763,067
Dividend income		(96,090)	(38,892)
		1,931,782	1,724,175
Adjustments for non-cash items:			
Depreciation		237,851	213,761
Amortisation		14,462	12,131
Provision against non-performing loans and advances		88,998	162,098
Gain on sale / redemption of securities		(436)	(65,380)
Provision for defined benefit plan		42,000	30,000
Provision for compensated absences		12,062	5,055
Gain on sale of operating fixed assets		(42,534)	(20,219)
Share of profit from associates		(18,867)	(25,741)
Provision against off-balance sheet items		4,625	10,372
		338,161	322,077
		2,269,943	2,046,252
(Increase) / decrease in operating assets			
Lendings to financial institutions		-	993,981
Advances		(146,137)	5,609,954
Other assets		(1,004,934)	959,919
		(1,151,071)	7,563,854
(Decrease) / increase in operating liabilities			
Bills payable		(462,838)	(18,603)
Borrowings		18,712,058	(13,199,983)
Deposits and other accounts		10,309,393	5,881,230
Other liabilities (excluding provision for taxation)		1,020,300	(152,917)
		29,578,913	(7,490,273)
		30,697,785	2,119,833
Income tax paid		(574,945)	(645,355)
Net cash flow from operating activities		30,122,840	1,474,478
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available for sale securities		(49,450,587)	(11,639,335)
Net investments in held to maturity securities		17,479,971	5,185,634
Net investments in associates		23,416	23,606
Dividend received		30,126	9,954
Investments in operating fixed assets		(216,533)	(226,745)
Sale proceeds of operating fixed assets		44,861	23,059
Net cash used in investing activities		(32,088,746)	(6,623,827)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of sub-ordinated loans		(700)	(700)
Dividend paid		(1,245,551)	(1,219,076)
Net cash used in financing activities		(1,246,251)	(1,219,776)
Exchange adjustment on translation of net investment in foreign operations		(113,098)	12,609
Decrease in cash and cash equivalents		(3,325,255)	(6,356,516)
Cash and cash equivalents at the beginning of the period		34,864,281	37,211,593
Cash and cash equivalents at the end of the period	15	31,539,026	30,855,077

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

ABBAS D. HABIB
**Chief Executive and
Managing Director**

SYED MAZHAR ABBAS
Director

SHAMEEM AHMED
Director

ANWAR HAJI KARIM
Director



**Notes to the Consolidated Interim Condensed Financial Statements (Un-Audited)
For the Three Months Period Ended 31 March 2014**

1. STATUS AND NATURE OF BUSINESS

The Group consists of :

- Bank AL Habib Limited (Holding Company)
- AL Habib Capital Markets (Private) Limited (Subsidiary Company)

Bank AL Habib Limited (the Bank) was incorporated in Pakistan on 15 October 1991 as a public limited company under the Companies Ordinance, 1984 having its registered office at 126-C, Old Bahawalpur Road, Multan with principal place of business in Karachi. Its shares are listed on all the Stock Exchanges in Pakistan. It is a scheduled bank principally engaged in the business of commercial banking with a network of 323 branches (31 December 2013: 320 branches), 96 sub-branches (31 December 2013: 96) and 03 representative offices (31 December 2013: 03). The branch network of the Bank includes 03 offshore branches (31 December 2013: 02) and 17 Islamic Banking branches (31 December 2013: 17). The Bank has invested in 66.67% shares of AL Habib Capital Markets (Private) Limited (the Company). The Company was incorporated in Pakistan on 23 August 2005 as a private limited company under the Companies Ordinance, 1984. The Company is a corporate member of the Karachi Stock Exchange Limited and is engaged in equity, money market and foreign exchange brokerage services, equity research, corporate financial advisory and consultancy services.

2. STATEMENT OF COMPLIANCE

- 2.1 These consolidated interim condensed financial statements have been prepared, in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and regulations / directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.
- 2.2 SBP vide BSD Circular No. 10, dated 26 August 2002 has deferred the applicability of IAS 39, "Financial Instruments: Recognition and Measurement" and IAS 40, "Investment Property" for banking companies till further instructions. Further, according to the notification of SECP dated 28 April 2008, International Financial Reporting Standard (IFRS) - 7 "Financial Instruments: Disclosure" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements. However, investments have been classified, accounted for and valued in accordance with the requirement of various circulars issued by SBP.
- 2.3 The disclosures made in these consolidated interim condensed financial statements have been limited based on the format prescribed by SBP vide BSD Circular Letter No. 2, dated 12 May 2004 and IAS 34 "Interim Financial Reporting" and do not include all the information required in the annual financial statements. Accordingly, these consolidated interim condensed financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2013.

3. ACCOUNTING POLICIES

- 3.1 The accounting policies adopted in the preparation of these consolidated interim condensed financial statements are consistent with those applied in the preparation of the annual financial statements of the Group for the year ended 31 December 2013.
- 3.2 The basis of consolidation of the financial statements of subsidiary is same as that applied in the preparation of the consolidated financial statements of the Group for the year ended 31 December 2013.



Note	31-March 2014 (Un-Audited)			31-December 2013 (Audited)		
	Held by Group	Given as Collateral	Total	Held by Group	Given as Collateral	Total
	(Rupees in '000)					

4. INVESTMENTS

Available for Sale Securities

Market Treasury Bills	130,701,156	30,584,669	161,285,825	101,159,729	10,933,027	112,092,756
Pakistan Investment Bonds	12,432,375	-	12,432,375	12,412,522	-	12,412,522
Foreign Currency Bonds	1,874,036	-	1,874,036	1,782,395	-	1,782,395
Sukuks	3,237,925	-	3,237,925	3,300,425	-	3,300,425
Ordinary shares of listed companies	2,610,058	-	2,610,058	2,542,652	-	2,542,652
Ordinary shares of unlisted companies	64,855	-	64,855	64,855	-	64,855
Listed term finance certificates	540,402	-	540,402	544,625	-	544,625
Unlisted term finance certificates	2,532,720	-	2,532,720	2,532,720	-	2,532,720
Open ended mutual funds	1,517,023	-	1,517,023	1,371,246	-	1,371,246
	155,510,550	30,584,669	186,095,219	125,711,169	10,933,027	136,644,196

Held to Maturity Securities 4.1

Market Treasury Bills	24,891,850	-	24,891,850	83,858,220	-	83,858,220
Pakistan Investment Bonds	59,145,070	-	59,145,070	17,654,496	-	17,654,496
Sukuks	211,342	-	211,342	211,342	-	211,342
Listed term finance certificates	91,002	-	91,002	95,177	-	95,177
	84,339,264	-	84,339,264	101,819,235	-	101,819,235

Associates

Habib Sugar Mills Limited	308,878	-	308,878	317,917	-	317,917
Habib Asset Management Limited	76,664	-	76,664	74,577	-	74,577
First Habib Income Fund	264,923	-	264,923	259,725	-	259,725
First Habib Stock Fund	58,370	-	58,370	56,765	-	56,765
First Habib Cash Fund	319,321	-	319,321	312,930	-	312,930
First Habib Islamic Balanced Fund	27,824	-	27,824	27,134	-	27,134
	1,055,980	-	1,055,980	1,049,048	-	1,049,048

Investments at cost	240,905,794	30,584,669	271,490,463	228,579,452	10,933,027	239,512,479
Provision for diminution in the value of investments	(6,586)	-	(6,586)	(6,586)	-	(6,586)

Investments (net of provisions)	240,899,208	30,584,669	271,483,877	228,572,866	10,933,027	239,505,893
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Surplus / (deficit) on revaluation of available for sale investments - net	818,037	(10,180)	807,857	488,903	(8,754)	480,149
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Investments after revaluation of available for sale investments	241,717,245	30,574,489	272,291,734	229,061,769	10,924,273	239,986,042
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4.1 The aggregate market value of held to maturity securities as at 31 March 2014 amounts to Rs. 84,932 (31 December 2013: 101,709) million.



	31-March 2014 (Un-Audited) Note	31-December 2013 (Audited) (Rupees in '000)
5. ADVANCES		
Loans, cash credits, running finances, etc.		
In Pakistan	143,895,451	139,637,992
Outside Pakistan	6,937,325	7,812,380
	150,832,776	147,450,372
Net investment in finance lease / ijarah financing		
In Pakistan	1,513,314	985,898
Outside Pakistan	—	—
	1,513,314	985,898
Ijarah financing under IFAS 2	416,369	202,296
Murabaha	2,997,104	4,723,489
Bills discounted and purchased (excluding market treasury bills)		
Payable in Pakistan	1,782,837	2,044,993
Payable outside Pakistan	16,228,330	18,245,217
	18,011,167	20,290,210
Advances - gross	173,770,730	173,652,265
Provision against non-performing loans and advances		
Specific provision 5.1	(3,602,304)	(3,543,124)
General provision against consumer advances (as per SBP regulations) 5.2	(42,217)	(40,071)
General provision 5.3	(2,500,000)	(2,500,000)
	(6,144,521)	(6,083,195)
Advances - net of provisions	167,626,209	167,569,070

5.1 Advances include Rs. 4,324.321 (31 December 2013: Rs. 3,699.903) million which have been placed under non-performing status as detailed below:

31-March 2014 (Un-Audited)									
Classified advances			Provision required			Provision held			
Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total	
(Rupees in '000)									
Category of classification									
Other assets especially									
mentioned	22,432	—	22,432	1,443	—	1,443	1,443	—	1,443
Substandard	755,475	—	755,475	188,462	—	188,462	188,462	—	188,462
Doubtful	82,338	—	82,338	41,177	—	41,177	41,177	—	41,177
Loss	3,062,818	401,258	3,464,076	2,969,964	401,258	3,371,222	2,969,964	401,258	3,371,222
	3,923,063	401,258	4,324,321	3,201,046	401,258	3,602,304	3,201,046	401,258	3,602,304



	31-December 2013 (Audited)								
	Classified advances			Provision required			Provision held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
Category of classification									
Other assets especially mentioned	16,121	-	16,121	-	-	-	-	-	-
Substandard	56,807	-	56,807	14,208	-	14,208	14,208	-	14,208
Doubtful	98,528	-	98,528	49,264	-	49,264	49,264	-	49,264
Loss	3,099,517	428,930	3,528,447	3,050,722	428,930	3,479,652	3,050,722	428,930	3,479,652
	<u>3,270,973</u>	<u>428,930</u>	<u>3,699,903</u>	<u>3,114,194</u>	<u>428,930</u>	<u>3,543,124</u>	<u>3,114,194</u>	<u>428,930</u>	<u>3,543,124</u>

- 5.2 The Bank has made general provision for consumer portfolio as required by SBP's Prudential Regulations amounting to Rs. 42.217 (31 December 2013: Rs. 40.071) million.
- 5.3 In line with its prudent policies, the Bank has also made general provision of Rs. 2,500 (31 December 2013: Rs. 2,500) million against its loans and advances portfolio. This general provision is in addition to the requirements of the Prudential Regulations.

Three months period ended
31-March 2014 **31-March 2013**
(Un-Audited)
(Rupees in '000)

6. OPERATING FIXED ASSETS

6.1 Additions during the period - at cost:

Buildings on leasehold land	7,252	30,070
Improvements to leasehold buildings	21,124	42,168
Furniture and fixtures	11,970	11,313
Electrical, office and computer equipments	66,726	48,150
Vehicles	25,275	57,018
Intangible assets	25,955	16,254
	<u>158,302</u>	<u>204,973</u>

6.2 Deletions during the period - at cost:

Furniture and fixtures	686	4,721
Electrical, office and computer equipments	26,010	32,702
Vehicles	48,110	26,595
	<u>74,806</u>	<u>64,018</u>



	31-March 2014 (Un-Audited)	31-December 2013 (Audited)
(Rupees in '000)		
7. BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan		
Export refinance scheme	12,871,062	15,065,898
Long term financing for export oriented projects	128,799	156,637
Long term financing for imported and locally manufactured plant and machinery	3,360,547	3,225,277
Financing facility for storage of agricultural produce	96,093	120,727
	16,456,501	18,568,539
Repurchase agreement borrowings	30,553,227	10,911,487
	47,009,728	29,480,026
Unsecured		
Overdrawn nostros	663,175	—
Borrowings from financial institutions	1,182,356	—
	1,845,531	—
	48,855,259	29,480,026
8. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	86,680,665	82,536,366
Savings deposits	124,756,571	124,273,324
Current accounts - Remunerative	48,496,701	41,157,487
Current accounts - Non-remunerative	126,697,444	124,061,833
	386,631,381	372,029,010
Financial institutions		
Remunerative deposits	9,076,271	13,448,617
Non-remunerative deposits	700,569	621,201
	9,776,840	14,069,818
	396,408,221	386,098,828



	31-March 2014 (Un-Audited)	31-December 2013 (Audited)
Note		(Rupees in '000)

9. SUB-ORDINATED LOANS - unsecured

Term Finance Certificates (TFCs) - II - (Quoted)	9.1	1,495,800	1,496,100
Term Finance Certificates (TFCs) - III - (Unquoted)	9.2	1,992,400	1,992,800
Term Finance Certificates (TFCs) - IV - (Unquoted)	9.3	2,997,000	2,997,000
		6,485,200	6,485,900

9.1 Term Finance Certificates - II (Quoted)

Total issue	Rupees 1,500 million
Rating	AA
Rate	Payable six monthly at average six months' KIBOR plus 1.95% without any floor and cap
Redemption	6 - 84th month: 0.28%; 90th and 96th month: 49.86% each
Tenor	8 years
Maturity	February 2015

9.2 Term Finance Certificates - III (Unquoted)

Total issue	Rupees 2,000 million
Rating	AA
Rate	Payable three monthly at 15.50% p.a. for first 5 years and 16.00% p.a. for next 3 years
Redemption	3rd - 84th month: 0.56%; 87th, 90th, 93rd and 96th month: 24.86% each
Tenor	8 years
Maturity	June 2017

9.3 Term Finance Certificates - IV (Unquoted)

Total issue	Rupees 3,000 million
Rating	AA
Rate	Payable six monthly at 15.00% p.a. for first 5 years and 15.50% p.a. for next 5 years
Redemption	6th - 108th month: 0.36%; 114th and 120th month: 49.82% each
Tenor	10 years
Maturity	June 2021



		31-March 2014 (Un-Audited) (Rupees in '000)	31-December 2013 (Audited) (Rupees in '000)
	Note		
10. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
Operating fixed assets	10.1	1,713,580	1,722,912
Available for sale investments	10.2	603,377	371,444
		2,316,957	2,094,356
10.1 Operating fixed assets			
Surplus on revaluation of land and buildings		2,304,524	2,318,881
Related deferred tax liability		(590,944)	(595,969)
		1,713,580	1,722,912
10.2 Available for sale investments			
Federal Government Securities		354,002	190,125
Fully paid-up ordinary shares		276,900	182,202
Term finance certificates, sukuks, bonds and others		41,781	28,883
Open ended mutual funds		171,559	103,842
		844,242	505,052
Related deferred tax liability		(240,865)	(133,608)
		603,377	371,444
11. CONTINGENCIES AND COMMITMENTS			
11.1 Direct Credit Substitutes			
Financial institutions		228,238	308,098
Others		159,715	171,805
		387,953	479,903
11.2 Transaction-related Contingent Liabilities			
Government		15,345,598	13,305,949
Financial institutions		221,733	238,651
Others		5,955,643	6,112,025
		21,522,974	19,656,625



	31-March 2014 (Un-Audited)	31-December 2013 (Audited)
	(Rupees in '000)	
11.3 Trade-related Contingent Liabilities		
Letters of credit	72,075,512	70,207,859
Acceptances	8,051,105	6,895,498
	80,126,617	77,103,357
11.4 Commitments in respect of forward lending		
Commitments to extend credit (excluding commitments that are unilaterally cancellable)	3,826,741	1,130,970
11.5 Commitments in respect of forward exchange contracts		
Purchase	27,802,920	23,468,276
Sale	22,221,572	20,363,924
11.6 Commitments for the acquisition of operating fixed assets	118,444	154,299
	Three months period ended	
	31-March 2014 (Un-Audited)	31-March 2013 (Audited)
	(Rupees in '000)	
12. MARK-UP / RETURN / INTEREST EARNED		
On loans and advances to:		
Customers	3,712,830	3,365,685
Financial institutions	60,914	22,134
	3,773,744	3,387,819
On investments:		
Available for sale securities	3,338,683	4,571,249
Held to maturity securities	2,531,962	1,691,339
	5,870,645	6,262,588
On deposits with financial institutions	18,858	17,974
On securities purchased under resale agreements	17,514	15,236
On call money lendings	22	602
	9,680,783	9,684,219



	Three months period ended	
	31-March 2014	31-March 2013
	(Un-Audited)	
	(Rupees in '000)	
13. MARK-UP / RETURN / INTEREST EXPENSED		
Deposits	4,700,789	4,473,020
Sub-ordinated loans	230,098	232,333
Repurchase agreement borrowings	217,956	999,377
Borrowings from SBP	366,829	362,646
Others	86,641	89,013
	<u>5,602,313</u>	<u>6,156,389</u>
14. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY		
Profit after taxation - attributable to equity holders of the Holding company	<u>1,347,246</u>	<u>1,158,556</u>
	(Number)	
	Restated	
Weighted average number of ordinary shares	<u>1,111,425,416</u>	<u>1,111,425,416</u>
	(Rupees)	
	Restated	
Basic and diluted earnings per share	<u>1.21</u>	<u>1.04</u>
	Three months period ended	
	31-March 2014	31-March 2013
	(Un-Audited)	
	(Rupees in '000)	
15. CASH AND CASH EQUIVALENTS		
Cash and balances with treasury banks	30,812,287	26,372,843
Balances with other banks	1,389,914	5,473,886
Overdrawn nostros	(663,175)	(991,652)
	<u>31,539,026</u>	<u>30,855,077</u>
16. RELATED PARTY TRANSACTIONS		
Related parties of the Group comprise associates (including entities having directors in common with the Group), retirement benefit funds, major shareholders, directors and key management personnel and their close family members.		
Transactions with related parties are carried out on an arm's length basis in terms of the policy as approved by the Board of Directors. The transactions with employees of the Group are carried out in accordance with the terms of their employment.		



Transactions for the period / year and balances outstanding as at the period / year end with related parties are summarised as below:

	31-March 2014 (Un-Audited)				
	Associates	Non Executive Directors	Key Management Personnel (Rupees in '000)	Retirement Benefit Funds	Total
Deposits					
At the beginning of the period	1,813,814	142,104	368,941	174,811	2,499,670
Placements during the period	22,064,590	311,567	399,248	2,285,567	25,060,972
Withdrawals during the period	(22,662,949)	(299,134)	(334,958)	(2,352,307)	(25,649,348)
At the end of the period	1,215,455	154,537	433,231	108,071	1,911,294
Advances					
At the beginning of the period	1,282,655	126	37,822	–	1,320,603
Given during the period	5,940,386	1,179	7,811	–	5,949,376
Repaid during the period	(5,750,935)	(1,116)	(7,666)	–	(5,759,717)
At the end of the period	1,472,106	189	37,967	–	1,510,262
Investments					
At the beginning of the period	1,049,048	–	–	–	1,049,048
Investments made during the period	–	–	–	–	–
Redeemed / adjusted during the period	6,932	–	–	–	6,932
At the end of the period	1,055,980	–	–	–	1,055,980
Contingencies and commitments	991,763	–	–	–	991,763
	31-December 2013 (Audited)				
	Associates	Non Executive Directors	Key Management Personnel (Rupees in '000)	Retirement Benefit Funds	Total
Deposits					
At the beginning of the year	1,691,582	146,594	294,767	151,603	2,284,546
Placements during the year	76,167,530	767,897	1,186,282	4,538,194	82,659,903
Withdrawals during the year	(76,045,298)	(772,387)	(1,112,108)	(4,514,986)	(82,444,779)
At the end of the year	1,813,814	142,104	368,941	174,811	2,499,670
Advances					
At the beginning of the year	1,615,380	351	28,605	–	1,644,336
Given during the year	20,955,131	3,025	45,862	–	21,004,018
Repaid during the year	(21,287,856)	(3,250)	(36,645)	–	(21,327,751)
At the end of the year	1,282,655	126	37,822	–	1,320,603
Investments					
At the beginning of the year	1,279,273	–	–	–	1,279,273
Investments made during the year	647,501	–	–	–	647,501
Redeemed / adjusted during the year	(877,726)	–	–	–	(877,726)
At the end of the year	1,049,048	–	–	–	1,049,048
Contingencies and commitments	721,649	–	–	–	721,649



Three months period ended 31-March 2014 (Un-Audited)

	Associates	Non Executive Directors	Key Management Personnel (Rupees in '000)	Retirement Benefit Funds	Total
Purchase of fixed assets	-	-	-	-	-
Mark-up earned	32,682	-	530	-	33,212
Mark-up expensed	18,189	1,624	6,539	4,041	30,393
Bank charges and commission	1,158	4	23	-	1,185
Salaries and allowances	-	-	54,479	-	54,479
Bonus	-	-	10,052	-	10,052
Contribution to defined contribution plan	-	-	2,628	-	2,628
Contribution to defined benefit plan	-	-	3,356	-	3,356
Staff provident fund	-	-	-	47,587	47,587
Staff gratuity fund	-	-	-	42,000	42,000
Directors' fee	-	750	-	-	750
Insurance claim received	2,800	-	-	-	2,800
Insurance premium paid	30,186	-	-	-	30,186
Dividend income	23,416	-	-	-	23,416
Brokerage and advisory	-	-	-	-	-
Commission expensed	307	-	-	-	307
Other expenses	1,143	-	-	-	1,143

Three months period ended 31-March 2013 (Un-Audited)

	Associates	Non Executive Directors	Key Management Personnel (Rupees in '000)	Retirement Benefit Funds	Total
Purchase of fixed assets	536	-	-	-	536
Mark-up earned	37,212	-	375	-	37,587
Mark-up expensed	17,310	1,719	3,814	4,443	27,286
Bank charges and commission	1,319	15	20	-	1,354
Salaries and allowances	-	-	45,097	-	45,097
Bonus	-	-	8,135	-	8,135
Contribution to defined contribution plan	-	-	2,005	-	2,005
Contribution to defined benefit plan	-	-	2,139	-	2,139
Staff provident fund	-	-	-	40,112	40,112
Staff gratuity fund	-	-	-	30,000	30,000
Directors' fee	-	400	-	-	400
Insurance claim received	3,048	-	-	-	3,048
Insurance premium paid	34,009	-	-	-	34,009
Dividend income	23,605	-	-	-	23,605
Brokerage and advisory	557	-	-	-	557
Commission expensed	-	-	-	-	-
Other expenses	-	-	-	-	-



17. ISLAMIC BANKING BUSINESS

The Bank is operating 17 (31 December 2013: 17) Islamic Banking branches in Pakistan. The statement of financial position of these branches as at 31 March 2014 is as follows:

		31-March 2014 (Un-Audited)	31-December 2013 (Audited)
	Note	(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		450,913	363,446
Balances with and due from financial institutions		32,774	35,677
Investments		1,665,431	1,493,818
Islamic financing and related assets	17.1	8,739,112	10,647,906
Operating fixed assets		65,649	62,567
Other assets		257,734	359,340
		11,211,613	12,962,754
LIABILITIES			
Bills payable		112,684	112,276
Due to financial institutions		487,292	1,643,761
Deposits and other accounts		7,968,952	8,617,703
– Current accounts		2,186,967	2,198,218
– Saving accounts		1,587,119	1,420,729
– Term deposits		3,567,131	3,380,965
– Others		17,200	11,348
– Deposits from financial institutions-remunerative		609,577	1,605,680
– Deposits from financial institutions-non-remunerative		958	763
Due to Head office		1,108,236	990,000
Other liabilities		351,290	293,351
		(10,028,454)	(11,657,091)
NET ASSETS		1,183,159	1,305,663
REPRESENTED BY:			
Islamic banking fund		1,100,000	1,000,000
Unremitted profit		78,993	301,343
		1,178,993	1,301,343
Surplus on revaluation of assets		4,166	4,320
		1,183,159	1,305,663



	31-March 2014 (Un-Audited)	31-December 2013 (Audited)
	(Rupees in '000)	
17.1 Islamic financing and related assets		
Murabaha	2,786,729	4,684,555
Net book value of assets / investments in ijarah under IFAS 2	416,369	202,296
Diminishing musharika	3,067,791	3,056,660
Export refinance murabaha	210,375	38,934
Export refinance istisna	304,926	1,517,077
Istisna	1,377,410	651,646
Gross financing	8,163,600	10,151,168
Less: general provisioning against consumer financing	(523)	(523)
Net financing	8,163,077	10,150,645
Advance against murabaha	547,986	449,831
Advance against ijarah	28,049	47,430
Islamic financing and related assets - net off provision	8,739,112	10,647,906
17.1.1 Islamic financing and related assets		
Financings / inventory / receivables	8,163,600	10,151,168
Advances	576,035	497,261
Less: general provisioning against consumer financing	(523)	(523)
	8,739,112	10,647,906



18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

Three months period ended 31-March 2014 (Un-Audited)					
	Retail Banking	Commercial Banking	Retail Brokerage (Rupees in '000)	Inter Segment Elimination	Total
Total income	3,728,268	9,245,359	9,719	(2,310,692)	10,672,654
Total expenses	(2,413,085)	(8,527,864)	(14,525)	2,310,692	(8,644,782)
Net income	1,315,183	717,495	(4,806)	–	2,027,872
As of 31-March 2014 (Un-Audited)					
Segment assets	365,247,312	475,682,070	502,170	(349,748,925)	491,682,627
Segment liabilities	363,906,301	452,147,740	351,947	(349,748,925)	466,657,063
Three months period ended 31-March 2013 (Un-Audited)					
	Retail Banking	Commercial Banking	Retail Brokerage (Rupees in '000)	Inter Segment Elimination	Total
Total income	4,624,521	9,752,316	12,265	(3,890,327)	10,498,775
Total expenses	(4,104,236)	(8,508,345)	(13,454)	3,890,327	(8,735,708)
Net income	520,285	1,243,971	(1,189)	–	1,763,067
As of 31-March 2013 (Un-Audited)					
Segment assets	319,025,657	429,222,251	371,090	(302,398,319)	446,220,679
Segment liabilities	317,597,912	408,867,685	225,839	(302,398,319)	424,293,117

19. DATE OF AUTHORISATION

These consolidated interim condensed financial statements were authorised for issue by the Board of Directors in their meeting held on April 28, 2014.

20. GENERAL

20.1 Figures have been rounded off to the nearest thousand rupees.

20.2 Corresponding figures have been re-arranged / re-classified wherever necessary, for the purpose of comparison. There are no major reclassification to report.

ABBAS D. HABIB
Chief Executive and
Managing Director

SYED MAZHAR ABBAS
Director

SHAMEEM AHMED
Director

ANWAR HAJI KARIM
Director