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CORPORATE INFORMATION

Board of Directors	Ali Raza D. Habib Abbas D. Habib Anwar Haji Karim Arshad Nasar	Chairman Chief Executive & Managing Director
	Murtaza H. Habib Qumail R. Habib Safar Ali Lakhani Shahid Ghaffar Syed Mazhar Abbas Syed Hasan Ali Bukhari	Executive Director
Audit	Syed Mazhar Abbas	Chairman
Committee	Anwar Haji Karim	Member
	Arshad Nasar	Member
	Safar Ali Lakhani	Member
	Syed Hasan Ali Bukhari	Member
Human Resource	Syed Mazhar Abbas	Chairman
& Remuneration	Anwar Haji Karim	Member
Committee	Arshad Nasar	Member
	Murtaza H. Habib	Member
	Syed Hasan Ali Bukhari	Member
Company Secretary	Mohammad Taqi Lakhani	
Statutory Auditors	KPMG Taseer Hadi & Co. Chartered Accountants	
Legal Advisor	Liaquat Merchant Associat Advocates and Corporate	
Registered Office	126-C, Old Bahawalpur Ro Multan	pad,
Principal Office	2nd Floor, Mackinnons Bu I.I. Chundrigar Road, Karachi	ilding,
Share Registrar	Central Depository Compa CDC House 99-B, Block-B Main Shahrah-e-Faisal, Ka	, S.M.C.H.S.
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 Subsidiaries AL Habib Capital Markets (Private) Limited and AL Habib Credit & Finance (Hong Kong) Limited for the nine months ended September 30, 2016.

Alhamdolillah, during the period under review, the performance of the Bank continued to be satisfactory. The deposits increased to Rs. 574.0 billion as compared to Rs. 516.2 billion on December 31, 2015. In the same period, advances increased to Rs. 237.5 billion from Rs. 207.3 billion, while investments increased to Rs. 406.5 billion from Rs. 356.6 billion. The pre-tax profit of the Bank for the nine months period ended September 30, 2016 was Rs. 9,386.3 million as compared to Rs. 9,053.2 million during the corresponding period last year.

Your Bank now has a network of 590 offices, comprising 500 branches, 87 sub-branches, and 3 Representative Offices. Our branch network includes 37 Islamic Banking Branches and 3 Overseas Branches. Continuing with our branch expansion policy, the Bank intends to open more branches during the year 2016.

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 rating of our unsecured, subordinated TFC has 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: October 20, 2016

Ali Raza D. Habib Chairman



Bank AL Habib

د انر یکٹرز کا جائزہ

میرے لئے یہ باعث مسرت ہے کہ میں بورڈ آف ڈائر کیٹرز کی جانب سے ۱۳ متمبر ۲۰۱۱ ، کوختم ہونے والی ۹ ماہ کے لئے بینک الحبیب کمیٹڈ کے غیر آ ڈٹ شدہ مالی حسابات مع بینک الحبیب کمیٹڈ کے غیر آ ڈٹ شدہ مجموعی مالیاتی حسابات بشمول بینک کی ذیلی کمیٹز الحبیب کمیٹیل مارکیٹس (پرائیویٹ) کمیٹڈ اور الحبیب کریڈٹ ایند فانس (ہانگ کا نگ) کمیٹڈ پیش کروں۔

الحمداللہ، زیر جائزہ مدت میں بینک کی کار کردگی اطمینان بخش رہی۔اس مدت میں ڈیا زٹس بڑھ کرہ ۲۵۷ بلین روپے ہوگئے، جو کہ ۳۳ دسمبر ۲۰۱۵ء کو ۱۹۲۶ بلین روپے تھے۔اسی مدت کے دوران ایڈ دانسز ۳۳ء ۲۰۰ بلین روپ سے بڑھ کرہ ۲۳۷ بلین روپے ہو گئے اور سرما یہ کار ک ۲۵۰۶ میں روپ سے بڑھ کرہ ۲۰۰۶ بلین روپے ہوگئی۔ ۳۰ متمبر ۲۰۱۶ کو ختم ہونے دالی ۹ ماہ کی مدت کے لئے آپ کے بینک کاقبل از قیکس منافع ۱۹۳۸ ملین روپ رہا، جبکہ گزشتہ سال اس مدت میں بیا ۲۰۵۶ ملین روپے تھا۔

آپ کے بینک کانیٹ ورک اب ۵۹۰ دفاتر پرشتمل ہے، جس میں ۵۰۰ برانچز ،۷۷ سب برانچز اور ۳ نمائندہ دفاتر شامل ہیں۔ ہمارے برانچ نیٹ ورک میں اب ساسلامی بینکاری برانچز اور ۳ بیرونِ ملک برانچز شامل ہیں۔ برانچز میں اضافہ کی اپنی پالیسی پر کار بندر ہے ہوئے ہم سال ۲۰۱۲ء میں بھی مزید برانچز کھولنے کا ارادہ رکھتے ہیں۔

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے کمبی مدت کے لئے بینک کی ان محم (ڈبل اے پلس) اور مختصر مدت کے لئے + A1(اے ون پلس) رٹینگز برقر اررکھی ہیں۔ ہمارے انسکیو رڈ ،سبار ڈینیٹڈ ٹی ایف سی کی ریٹنگ بھی AA(ڈبل اے) برقر اررکھی گئی ہیں۔ بیرٹینگز کریڈٹ رسک کی بہت کم توقع خاہر کرتی ہیں،جس کی وجہ مالی ذمہ داریوں ہے عہدہ براءہونے کی بہت مضبوط صلاحیت ہے۔

ہم اپنے کسٹمرز کاان کے سلسل تعاون اوراعتاد کیلئے ،اسٹیٹ بینک آف پا کستان کاان کی رہنمائی کے لئے اوراپنے تکلی وغیر ملکی نمائندہ مینکوں کا ان کی معاونت کیلئے شکر بیادا کرنا چاہتے ہیں۔ہم اپنے تمام اسٹاف ممبران کا بھی ان کی لگن اور مخلصا نہ خدمات کا شکر بیادا کرتے ہیں۔

منجانب بورڈ آف ڈائر یکٹرز

على رضا ڈي۔حبيب چيئر مين

کراچی: ۲۰ اکتوبر ۲۱ ۲۰



Bank AL Habib

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016

	Note	(Un-audited) 30 September 2016 (Rupees	(Audited) 31 December 2015 3 in '000)
ASSETS		(
Cash and balances with treasury banks Balances with other banks Lendings to financial institutions	7	49,425,628 5,725,374 –	38,577,738 3,185,669 3,992,794
Investments - net	8	406,480,106	356,649,003
Advances - net	9	237,487,681	207,288,608
Operating fixed assets	10	18,066,686	15,764,284
Deferred tax assets - net Other assets		_ 8,313,177	14,254,372
		0,010,177	14,234,372
		725,498,652	639,712,468
LIABILITIES			
Bills payable		11,671,333	8,665,462
Borrowings	11	80,732,088	62,592,299
Deposits and other accounts	12	574,043,263	516,213,178
Sub-ordinated loans Liabilities against assets subject to finance lease	13	3,999,200	2,994,600
Deferred tax liabilities - net		4,284,972	3,632,598
Other liabilities		10,079,647	7,757,673
		684,810,503	601,855,810
NET ASSETS		40,688,149	37,856,658
REPRESENTED BY:			
Share capital		11,114,254	11,114,254
Reserves		11,411,595	10,329,659
Unappropriated profit		10,745,239	10,253,920
		33,271,088	31,697,833
Surplus on revaluation of assets - net of tax	14	7,417,061	6,158,825
		40,688,149	37,856,658
CONTINGENCIES AND COMMITMENTS	15		
The annexed notes 1 to 26 form an integral part of these uncons	solidated con	densed interim fina	ancial statements
	MAZHAR A		R HAJI KARIM

Chairman

Chief Executive and Managing Director

Director

Director



Bank AL Habib 25 Silver JUBILEE

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

			period ended	Quarter	
	Note	30 September 2016	2015	30 September 2016 s in '000)	30 Septembe 2015
Mark-up / return / interest earned Mark-up / return / interest expensed	16 17	36,277,449 (17,613,504)	37,716,805 (19,436,734)	11,440,775 (5,535,260)	12,284,207 (5,991,736)
Net mark-up / return / interest income		18,663,945	18,280,071	5,905,515	6,292,471
Reversal / (provision) against non-performing loans and advances - net Provision for diminution in the value of investments Bad debts written-off directly		782,219 	(1,359,297)	57,371 _ _	(227,974)
		782,219	(1,359,331)	57,371	(228,008)
Net mark-up / return / interest income after provisions		19,446,164	16,920,740	5,962,886	6,064,463
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income Dividend income Income from dealing in foreign currencies Gain on sale / redemption of securities - net Unrealised loss on revaluation of investments	18	1,847,005 471,811 457,384 54,922	1,669,088 518,412 575,864 228,500	587,678 82,596 127,613 9,165	523,793 132,023 105,196 (103,897)
classified as held for trading Other income		(9,187) 517,266	(11,398) 475,902	(9,192) 159,296	(2,015) 153,163
Total non mark-up / interest income		3,339,201	3,456,368	957,156	808,263
NON MARK-UP / INTEREST EXPENSES		22,785,365	20,377,108	6,920,042	6,872,726
NON MARK-UP/INTEREST EXPENSES					
Administrative expenses Other reversals / (provisions) / write-offs Other charges		(13,220,253) 26,499 (205,277)	(11,083,314) (23,892) (216,749)	(4,316,776) (4,550) (51,906)	(3,781,236
Total non mark-up / interest expenses		(13,399,031)	(11,323,955)	(4,373,232)	(3,844,918
		9,386,334	9,053,153	2,546,810	3,027,808
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		9,386,334	9,053,153	2,546,810	3,027,808
Taxation - Current		(3,498,639)	(3,402,312)	(921,104)	(1,099,037
- Prior years - Deferred		(502,993) 42,206	(500,484) 151,718	14,768	17,719
		(3,959,426)	(3,751,078)	(906,336)	(1,081,318
PROFIT AFTER TAXATION		5,426,908	5,302,075	1,640,474	1,946,490
			(Ru	pees)	
Basic and diluted earnings per share	19	4.88	4.77	1.48	1.75

The annexed notes 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.

ALI RAZA D. HABIB Chairman

Chief Executive and Managing Director

ABBAS D. HABIB SYED MAZHAR ABBAS ANWAR HAJI KARIM Director Director





UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

	Nine months	period ended	Quarte	r ended
	30 September 2016	2015	30 September 2016 s in '000)	30 Septembe 2015
Profit after taxation for the period	5,426,908	5,302,075	1,640,474	1,946,490
Other comprehensive income				
Items that are or may be reclassified subsequently to profit and loss account				
Exchange differences on translation of net investment in foreign branches	(3,446)	86,779	(5,106)	61,104
Items that will never be reclassified to profit and loss account subsequently				
Remeasurement of defined benefit plan Related tax charge	-	-	-	-
Trelated tax charge			_	_
Comprehensive income transferred to equity	5,423,462	5,388,854	1,635,368	2,007,594
Components of comprehensive income not reflected in equity				
Surplus / (deficit) on revaluation of available for sale securities Related tax charge	1,978,774 (692,572)	2,664,683 (1,137,198)	(180,598) 63,209	67,427 (23,599)
Trefated tax charge	1,286,202	1,527,485	(117,389)	43,828
Total comprehensive income	6,709,664	6,916,339	1,517,979	2,051,422
The annexed notes 1 to 26 form an integral part of these uncon	solidated cond	ensed interim	financial statem	ients.
ALI RAZA D. HABIB ABBAS D. HABIB S Chairman Chief Executive and Managing Director	SYED MAZH Dire d			HAJI KARI r ector

			Bank	AL Habib
			<u> </u>	EARS
****				1991-2016
Bank AL Habib				
	CONDENSED INTERIM CAS			N-AUDITED)
			30 September	30 September
CASH FLOW FROM OPER	ATING ACTIVITIES	Note	2016 (Rupees	2015 in '000)
Profit before taxation			9,386,334	9,053,153
ess: Dividend income			(471,811)	(518,412)
Adjustments for:			8,914,523	8,534,741
Adjustments for: Depreciation			1,175,134	835,764
Amortisation	gainst non-performing loans and ad	vances, not	64,261 (782,219)	62,596 1,359,297
Gain on sale of operatin	g fixed assets	vanues - nel	(64,729)	(15,920)
Gain on sale / redemption	on of securities - net for trading securities		(54,922) 9,187	(228,500) 11,398
Charge for defined bene	efit plan		162,000	126,000
Charge for compensate (Reversals) / provisions	against off-balance sheet items		36,664 (26,499)	41,346 23,892
			518,877	2,215,873
Decrease / (increase) in c	operating assets		9,433,400	10,750,614
Lendings to financial ins	titutions		3,992,794	-
Advances - net Other assets			(29,416,854) 6,009,278	(20,608,721) 3,107,955
			(19,414,782)	(17,500,766)
ncrease in operating liab Bills payable	Dilities		3,005,871	275,944
Borrowings Deposits and other acco	nunts		17,620,936 57,830,085	29,329,792 35,260,540
	ling provision for taxation)		1,940,676	750,665
			80,397,568	65,616,941
Income tax paid			70,416,186 (3,853,986)	58,866,789 (3,778,035)
Net cash generated from o	perating activities		66,562,200	55,088,754
CASH FLOW FROM INVE			(47.000.504)	(40.070.454)
Net investments in secu Net investments in asso			(47,806,594)	(43,978,151) 388,069
Dividend received Investments in operating	n fixed assets		409,698 (3,553,252)	425,879 (2,467,511)
Sale proceeds from disp	osal of operating fixed assets		84,038	68,804
Net cash used in investing	activities		(50,866,110)	(45,562,910)
CASH FLOW FROM FINA			4 004 000	(7.40.500)
Receipts / (repayments) Dividend paid	of sub-ordinated loans		1,004,600 (3,828,502)	(748,500) (3,282,275)
Net cash used in financing	activities		(2,823,902)	(4,030,775)
Exchange differences of	n translation of net investment in for	reign branches	(3,446)	86,779
Increase in cash and ca Cash and cash equivale	sh equivalents nts at beginning of the period		12,868,742 41,758,103	5,581,848 37,879,971
Cash and cash equivale	ints at end of the period	20	54,626,845	43,461,819
The annexed notes 1 to 26	form an integral part of these unco	onsolidated con	densed interim finar	ncial statements.
LI RAZA D. HABIB	ABBAS D. HABIB SYE	D MAZHAR A	BBAS ANWA	R HAJI KARIM





UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

	Share Capital	Statutory Fo Reserve	reign Currency Translation Reserve	<u>Revenue F</u> Special Reserve	Reserves General Reserve	Unapp- ropriated Profit	Total
				upees in '000)	TUIL	
Balance as at 01 January 2015 Total comprehensive income for the nine months period ended 30 September 2015:	11,114,254	7,932,650	161,761	126,500	540,000	7,679,490	27,554,655
Profit after tax Other comprehensive income	-	- -	- 86,779	-	-	5,302,075 –	5,302,075 86,779
Transfer from surplus on revaluation of	-	-	86,779	-	-	5,302,075	5,388,854
fixed assets - net of tax Transfer to statutory reserve Transaction with owners, recorded directly in equity:	-	_ 1,060,415	-	-	-	39,642 (1,060,415)	39,642 –
Cash dividend (Rs. 3 per share)	-	-	-	-	-	(3,334,276)	(3,334,276)
Balance as at 30 September 2015 Total comprehensive income for the quarter ended 31 December 2015:	11,114,254	8,993,065	248,540	126,500	540,000	8,626,516	29,648,875
Profit after tax Other comprehensive income	-	-	- 987	-	- -	2,102,837 (68,080)	2,102,837 (67,093
Transfer from surplus on revaluation of	-	-	987	-	-	2,034,757	2,035,744
fixed assets - net of tax Transfer to statutory reserve	-	- 420,567	-	-	-	13,214 (420,567)	13,214 -
Balance as at 31 December 2015 Total comprehensive income for the nine months period ended 30 September 2016:	11,114,254	9,413,632	249,527	126,500	540,000	10,253,920	31,697,833
Profit after tax Other comprehensive income	-	- -	(3,446)	-	-	5,426,908 -	5,426,908 (3,446
Transfer from surplus on revaluation of	-	-	(3,446)	-	-	5,426,908	5,423,462
fixed assets - net of tax Transfer to statutory reserve Transaction with owners, recorded directly	-	_ 1,085,382	-	-	-	39,782 (1,085,382)	39,782 –
in equity: Cash dividend (Rs. 3.5 per share)	-	-	-	-	-	(3,889,989)	(3,889,989
Balance as at 30 September 2016	11,114,254	10,499,014	246,081	126,500	540.000	10.745,239	33,271,088

The annexed notes 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.

ALI RAZA D. HABIB Chairman	ABBAS D. HABIB Chief Executive and Managing Director	SYED MAZHAR ABBAS <i>Director</i>	ANWAR HAJI KARIM <i>Director</i>
			9





NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

1. STATUS AND NATURE OF BUSINESS

Bank AL Habib Limited (the Bank) is a banking company 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 Pakistan Stock Exchange Limited. It is a scheduled bank principally engaged in the business of commercial banking with a network of 500 branches (31 December 2015: 423 branches), 87 sub-branches (31 December 2015: 03 representative offices (31 December 2015: 03 overseas branches) and 37 Islamic Banking branches (31 December 2015: 29 Islamic Banking branches).

2. BASIS OF PRESENTATION

- 2.1 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing includes purchase of goods by banks from customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchase and resale arising under these arrangements are not reflected in these unconsolidated condensed interim financial statements as such, but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon. However, the Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS).
- **2.2** The financial results of the Islamic Banking branches have been consolidated in these unconsolidated condensed interim financial statements for reporting purposes, after eliminating material inter-branch transactions / balances. Key financial informations of the Islamic Banking branches are disclosed in note 24.

3. STATEMENT OF COMPLIANCE

- 3.1 These unconsolidated condensed interim financial statements of the Bank have been prepared, in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting', IFAS issued by the Institute of Chartered Accountants of Pakistan, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and 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.
- 3.2 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: 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 SBP.

- **3.3** The disclosures made in these unconsolidated condensed interim 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". They do not include all the information required in the annual financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2015.
- **3.4** These are separate unconsolidated condensed interim financial statements of the Bank in which investments in subsidiaries and associates are reported on the basis of direct equity interest and are not consolidated or accounted for by using equity method of accounting.

4. BASIS OF MEASUREMENT

4.1 Accounting convention

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention, except that certain fixed assets and non-banking assets acquired in satisfaction of claims are stated at revalued amounts, certain investments and commitments in respect of certain forward exchange contracts have been marked to market and are carried at fair value and staff retirement benefits are carried at present value.

4.2 Functional and presentation currency

These unconsolidated condensed interim financial statements are presented in Pak Rupees which is the Bank's functional and presentation currency.

4.3 Accounting estimates and assumptions

The preparation of these unconsolidated condensed interim financial statements requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The assumptions and estimates that are significant to these unconsolidated condensed interim financial statements are the same as those disclosed in the annual financial statements of the Bank for the year ended 31 December 2015.





5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for preparation of these unconsolidated condensed interim financial statements are same as those applied in the preparation of annual financial statements of the Bank for the year ended 31 December 2015 except for the reclassification as required by SBP vide its BPRD Circular No. 1 of 2016, BPRD Circular Letter No. 05 of 2016 and additional disclosures in respect of Islamic Index Screening as required by Circular No. 14 of 2016 issued by SECP.

Non-banking assets acquired in satisfaction of claims:

Effective 1 January 2016, the Bank has changed its accounting policy for recording of non-banking assets acquired in satisfaction of claims to comply with the requirements of the 'Regulations for Debt Property Swap' (the regulations) issued by SBP vide its BPRD Circular No. 1 of 2016, dated 1 January 2016. In line with the guidance provided in the Regulations, the non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation. These assets are revalued by professionally qualified valuers to ensure that their net carrying value does not differ materially from their fair value. A surplus arising on revaluation of property is credited to the 'surplus on revaluation of fixed assets' account and any deficit arising on revaluation is taken to profit and loss account directly. Legal fees, transfer costs and direct costs of acquiring title to property is charged to profit and loss account and not capitalised. Previously, non-banking assets acquired in satisfaction of claims were carried at cost less impairment, if any. Had the accounting policy not been changed, non-banking assets (included in Other Assets in the statement of financial position), surplus on revaluation of assets and deferred tax liability - net would have been lower by Rs. 11.678 million, Rs. 11.676 million and Rs. 1.258 million respectively while profit after tax would have been higher by Rs. 1.396 million.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual financial statements of the Bank for the year ended 31 December 2015.

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7.	BALANCES WITH OTHER BANKS						
	These include Rs. 1,673.794 million (31	December 2015:	Rs. 744.861 m	llion) placed und	er Shariah perm	nissible mode.	
		30 Septe	mber 2016 (U	n-audited)	31 De	ecember 2015	(Audited)
		Held by	Given as	Total	Held by	Given as	Total
	Note	Bank	Collateral	(Rupees	Bank in '000)	Collateral	
				(nupees	11 000)		
B.	INVESTMENTS						
8.1	Investments by type						
	Available for Sale Securities						
	Market Treasury Bills Pakistan Investment Bonds	169,094,771 50,359,287	59,077,940 _	228,172,711 50,359,287	96,543,319 60,095,104	39,361,572	135,904,891 60,095,104
	Foreign Currency Bonds	5,264,960	-	5,264,960	4,043,886	-	4,043,886
	Sukuk Bonds	8,899,209	-	8,899,209	6,983,848	-	6,983,848
	Fully paid-up ordinary shares - Listed Fully paid-up ordinary shares - Unlisted	5,053,320 45,529	-	5,053,320 45,529	4,018,649 45,529	-	4,018,649 45,529
	Term finance certificates - Listed	702,771	-	702,771	302,972	_	302,972
	Term finance certificates - Unlisted Units of mutual funds	2,260,801	-	2,260,801	2,946,686	-	2,946,686
	- Units of mutual funds	1,600,000 243,280,648	59,077,940	1,600,000 302,358,588	1,550,000	39,361,572	1,550,000 215,891,565
	Held to Maturity Securities 8.2	,,	•••,••••,••••	,,		00,001,012	2.0,00.000
	Pakistan Investment Bonds	90,984,462	-	90,984,462	130,462,425	-	130,462,425
	Foreign Currency Bonds	2,389,557	-	2,389,557	1,879,702	-	1,879,702
	Other Federal Government Securities Sukuk Bonds	1,906,739 678,335	-	1,906,739 678,335	1,825,278 696,890	-	1,825,278 696,890
	L	95,959,093	-	95,959,093	134,864,295	-	134,864,295
	Held for Trading Securities						
	Fully paid-up ordinary shares - Listed	299,695	-	299,695	-	-	-
	Associates	,		,			
	Habib Sugar Mills Limited	182,690	-	182,690	182,690	-	182,690
	Habib Asset Management Limited	60,000	-	60,000	60,000	-	60,000
	First Habib Income Fund First Habib Stock Fund	150,000 10,000	-	150,000 10,000	150,000 10,000	-	150,000 10,000
	First Habib Cash Fund	150,000	_	150,000	150,000	_	150,000
	First Habib Islamic Balanced Fund	10,000	-	10,000	10,000	-	10,000
	Subsidiaries	562,690	-	562,690	562,690	-	562,690
	AL Habib Capital Markets						
	(Private) Limited	200,000	-	200,000	200,000	-	200,000
	AL Habib Credit & Finance (Hong Kong) Limited	127	_	127	127	_	127
		200,127	_	200,127	200,127		200,127
	Investments at cost	340,302,253	59,077,940	399,380,193	312,157,105	39,361,572	351,518,677
	Less: Provision for diminution in	-,,		,	,,		- ,,
	the value of investments	(202,692)	-	(202,692)	(202,692)	-	(202,692)
	Investments (net of provisions)	340,099,561	59,077,940	399,177,501	311,954,413	39,361,572	351,315,985
	Surplus on revaluation of available for sale securities - net 14.2	7,268,367	43,425	7,311,792	5,213,270	119,748	5,333,018
	Deficit on revaluation of held for	(0 107)		(0 107)			
	trading securities - net	(9,187)	-	(9,187)	-	-	-

8.2 The aggregate market value of held to maturity securities as at 30 September 2016 amounted to Rs. 107,774 million (31 December 2015: Rs. 146,376 million).



Bank AL Habib 25^{SILVER UBILEE}

9.	ADVANCES	Note	(Un-audited) 30 September 2016 (Rupees	(Audited) 31 December 2015 in '000)
	Loans, cash credits, running finances, etc. – In Pakistan – Outside Pakistan		195,426,754 16,396,958 211,823,712	171,210,373 14,648,449 185,858,822
	Islamic financing and related assets - gross	9.4 & 24.2	13,133,766	11,982,735
	Net investment in finance lease – In Pakistan – Outside Pakistan		7,275,255 – 7,275,255	4,297,187 – 4,297,187
	Bills discounted and purchased (excluding market treasury bills) – Payable in Pakistan – Payable outside Pakistan		1,603,049 11,138,110 12,741,159	3,222,616 10,340,898 13,563,514
	Advances - gross		244,973,892	215,702,258
	 Provision against non-performing loans and advance Specific provision General provision against small enterprises and consumer advances (as per SBP regulations) General provision 	9.1 9.2 9.3	(4,555,721) (180,490) (2,750,000) (7,486,211)	(5,537,371) (126,279) (2,750,000) (8,412,650)
	Advances - net of provisions		(7,486,211) 237,487,681	(8,413,650) 207,288,608

9.1 Advances include Rs. 5,807.792 million (31 December 2015: Rs. 5,874.374 million) which have been placed under non-performing status as detailed below:

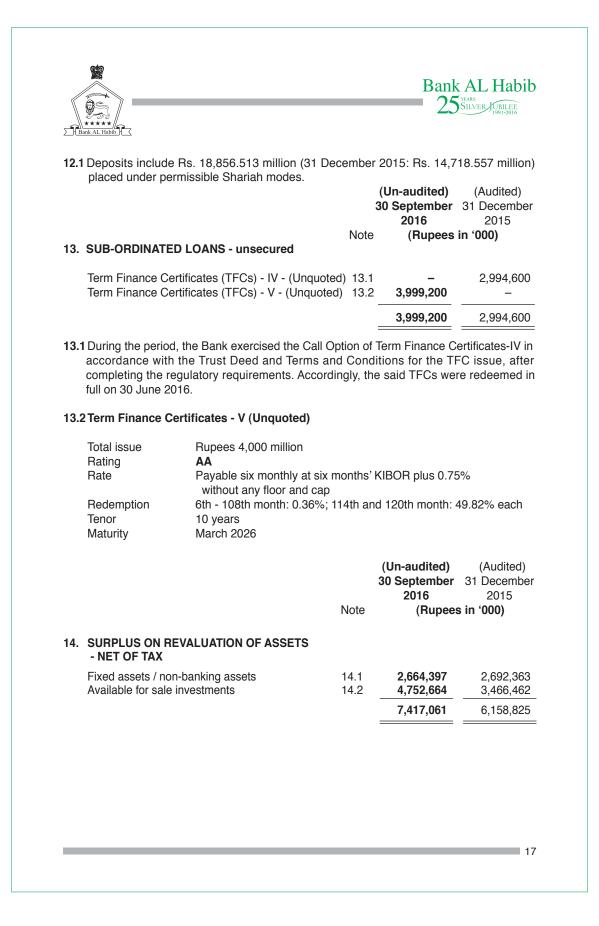
				30 Septem	ber 2016 (l	Jn-audited)		
	Clas	sified adva	inces	Prov	vision requi	red	Р	rovision he	ld
	Domestic	Overseas	Total		Overseas upees in '00	Total)0)	Domestic	Overseas	Total
Category of class	ification								
Other assets espe	ecially								
mentioned	49,313	-	49,313	2,324	-	2,324	2,324	-	2,324
Substandard	1,523,268	-	1,523,268	380,162	-	380,162	380,162	-	380,162
Doubtful	61,370	-	61,370	16,800	-	16,800	16,800	-	16,800
Loss	3,231,292	942,549	4,173,841	3,213,886	942,549	4,156,435	3,213,886	942,549	4,156,435
	4,865,243	942,549	5,807,792	3,613,172	942.549	4,555,721	3,613,172	942.549	4,555,721

1	65) — — — — — — — — — — — — — — — — — —								YEARS SILVER JU 19	91-2016
					31 Decer	mber 2015	(Audited)			
		Clas	sified adva	nces		vision requ	1 /		Provision he	eld
		Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Tota
	Category of classification				(,,	apooo iii o	,			
	Other assets especially									
	mentioned	3,335	-	3,335		-	40	40	-	
	Substandard	43,810	-	43,810		-	10,940	10,940	-	10,
	Doubtful	599,534	-	599,534	,	-	299,767	309,485	-	309,
	Loss	4,280,034			4,269,245 4,579,992	947,661 947,661	5,216,906	4,269,245 4,589,710		5,216, 5,537,
9.2	General provision representation 2015: Rs. 100.618 millio	sents p	rovisio	n amou	nting to	Rs. 1	32.829	million	(31 De	cemb
	December 2015: Rs. 25.	661 mil	lion) a	isumer nainet a	dvance	portio e to em	no anu all ante	NS. 47.	26 root	liun (jirod
	the Prudential Regulatio	ne issu	iiuii) au	SRP G	eneral	nrovisi	on anai	nst cor	as iequ nsumer	finar
	portfolio includes Rs. 3.99	96 millic	n (31 F	looomb	001C		784 mil	liem) me	rmiaaibl	
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9.3	Shariah. In line with its prudent po advances portfolio. This o	olicies, t general 10 Sept	he Ban provisio	k also r on is in a	nade ge addition	eneral p to the	orovisio requirer	n again nents o	st its loa f the Pri	ans a uden
	Shariah. In line with its prudent po advances portfolio. This o Regulations and as of 3	olicies, t general 80 Septe	he Ban provisio ember	k also r on is in a 2016 a	nade ge addition mounts	eneral p to the to Rs	provisio requirer 2,750	n again nents o million	st its loa f the Pri (31 De	ans a uden ceml
	Shariah. In line with its prudent po advances portfolio. This o Regulations and as of 3 2015: Rs. 2,750 million).	olicies, t general 80 Septe	he Ban provisio ember	k also r on is in a 2016 a	nade ge addition mounts	eneral p to the to Rs to Rs	orovisio requirer 2,750 r Sharia	n again nents o million h perm	st its loa f the Pru (31 De issible r	ans a uden ceml node
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9.4	Shariah. In line with its prudent po advances portfolio. This of Regulations and as of 3 2015: Rs. 2,750 million). These represents financ OPERATING FIXED A Capital work-in-progress Property and equipmer Intangible assets 1The following additions Leasehold land Buildings on leasehold Improvements to lease Furniture and fixtures	vicies, t general 0 Sept ing and SSETS ss it were r land hold bu	he Ban provisio related nade c	k also r on is in a 2016 a d assets	nade ge addition mounts s placed	eneral p to the to Rs. d under (3 	orovisio requirer 2,750 Sharia Un-aud 0 Sepe 2010 (F 925 17,059 81 18,066 Nine m 0 Septe 2010 (F 315 1,191 242 138	n again nents o million h perm lited) mber 6 Rupees ,532 ,686 (Un-au onths j ember 6 Rupees ,532 ,703 ,236 ,271	st its loa f the Pri (31 De issible r (Audi 31 Dec 20° s in '00 15,00 5 in '00 dited) period d 30 Sep 20° 30 Sep 30 Sep	ans a uden ceml mode ited) emb 15 0) 3,89 00,95 30,95
9.4	Shariah. In line with its prudent po advances portfolio. This of Regulations and as of 3 2015: Rs. 2,750 million). These represents financ OPERATING FIXED A Capital work-in-progress Property and equipmer Intangible assets 1The following additions Leasehold land Buildings on leasehold Improvements to lease Furniture and fixtures Electrical, office and co	vicies, t general 0 Sept ing and SSETS ss it were r land hold bu	he Ban provisio related nade c	k also r on is in a 2016 a d assets	nade ge addition mounts s placed	eneral p to the to Rs. d under (3 	orovisio requirer 2,750 Sharia Un-aud 0 Sepe 2010 (F 925 17,059 81 18,066 Nine m 0 Septe 2010 (F 315 1,191 242 138 949	n again nents o million h perm lited) mber 6 Rupees ,532 ,389 ,765 ,686 (Un-au onths j ember 6 Rupees ,532 ,703 ,236 ,271 ,051	st its loa f the Pri (31 De issible r (Audi 31 Dec 20° s in '00 15,00 5 in '00 30 Sep 20° 30 Sep 30 Sep 20° 30 Sep 30 S	ans a uden cemt node ited) embe 15 0) 3,89 00,95 34,28 00,95 0000000000
9.4	Shariah. In line with its prudent po advances portfolio. This of Regulations and as of 3 2015: Rs. 2,750 million). These represents financ OPERATING FIXED A Capital work-in-progress Property and equipmer Intangible assets 1The following additions Leasehold land Buildings on leasehold Improvements to lease Furniture and fixtures Electrical, office and co Vehicles	vicies, t general 0 Sept ing and SSETS ss it were r land hold bu	he Ban provisio related nade c	k also r on is in a 2016 a d assets	nade ge addition mounts s placed	eneral p to the to Rs. d under (3 	orovisio requirer 2,750 Sharia Un-aud 0 Sepe 2010 (F 925 17,059 81 18,066 Nine m 0 Septe 2010 (F 315 1,191 242 138 949 413	n again nents o million h perm lited) mber 6 Rupees ,532 ,389 ,765 ,686 (Un-au onths j ember 6 Rupees ,532 ,703 ,236 ,271 ,051 ,940	st its loa f the Pri (31 Dec issible r (Audi 31 Dec 20° s in '00 15,00 5 15,70 dited) period d 30 Sep 20° 30 Sep 20° 5 in '000 21 21 21 21 20° 5 in '00 20° 5 in '00° 5 in '0	ans a uden cemt mode ited) emb (15 0) (0,95)(0,95 (0,95 (0,95)(0,9
9.4	Shariah. In line with its prudent po advances portfolio. This of Regulations and as of 3 2015: Rs. 2,750 million). These represents financ OPERATING FIXED A Capital work-in-progress Property and equipmer Intangible assets 1The following additions Leasehold land Buildings on leasehold Improvements to lease Furniture and fixtures Electrical, office and co	vicies, t general 0 Sept ing and SSETS ss it were r land hold bu	he Ban provisio related nade c	k also r on is in a 2016 a d assets	nade ge addition mounts s placed	eneral p to the to Rs. d under (3 	orovisio requirer 2,750 Sharia Un-aud 0 Sepe 2010 (F 925 17,059 81 18,066 Nine m 0 Septe 2010 (F 315 1,191 242 138 949 413	n again nents o million h perm lited) mber 6 Rupees ,532 ,389 ,765 ,686 (Un-au onths j ember 6 Rupees ,532 ,703 ,236 ,271 ,940 ,929	st its loa f the Pri (31 Dec issible r (Audi 31 Dec 20° 5 in '00 15,00 15,00 15,70 dited) period 30 Sep 200 5 in '000 21 22 16 90 27 27 2	ans a uden cemt mode ited) 15 0) 03,89 00,95 0000000000



Bank AL Habib 25^{SILVER} UBILEE 1991-2016

	(Un-au) Nine months 30 September 2016 (Rupees	period ended
10.2 The written down value of fixed assets disposed off during the period were as follows:		,
Improvements to leasehold buildings Furniture and fixtures Electrical, office and computer equipments Vehicles	8,221 631 2,872 7,585	35,224 2,128 6,224 9,308
	19,309	52,884
	(Un-audited) 30 September 2016	2015
11. BORROWINGS	(Rupees	s in '000)
Secured Borrowings from SBP		
 Export refinance scheme Long term financing for export oriented projects Long term financing for imported and locally 	16,369,828 –	19,118,954 4,246
manufactured plant and machinery – Financing facility for storage of agricultural produ	4,714,503 ce 12,240	3,953,374 36,86 ⁻
Repurchase agreement borrowings	21,096,571 59,111,360	23,113,435 39,473,560
	80,207,931	62,586,995
Unsecured Overdrawn nostros	524,157	5,304
	80,732,088	62,592,299
12. DEPOSITS AND OTHER ACCOUNTS		
Customers Fixed deposits	124,662,914	120,268,519
Savings deposits Current accounts - Remunerative Current accounts - Non-remunerative	165,765,299 67,454,905 201,141,963	150,427,540 57,094,573 175,902,813
	559,025,081	503,693,44
Financial institutions		,,.
Remunerative deposits Non-remunerative deposits	12,839,053 2,179,129	11,462,600 1,057,12
	15,018,182	12,519,73
	574,043,263	516,213,178



Bank			AL Habi
		(Un-audited) 30 September 2016 (Rupees	(Audited) 31 Decembe 2015 s in ' 000)
14.1	Fixed assets / non-banking assets		
	Balance at beginning of the period / year Surplus / (adjustment) on revaluation of the Bank's fixed assets / non-banking assets during the period / year Transfer to unappropriated profit in respect of	3,489,993 13,825	3,575,215 (3,905
	incremental depreciation charged during the period / year	(61,203)	(81,317
		3,442,615	3,489,993
	Related deferred tax liability on: Balance at beginning of the period / year Revaluation of the Bank's fixed assets / non-banking assets during the period / year Transfer to unappropriated profit in respect of	797,630	826,092
	incremental depreciation charged during the period / year	(21,421)	(28,462
		(778,218)	(797,630
		2,664,397	2,692,363
14.2	Available for sale investments		
	Federal Government Securities Fully paid-up ordinary shares Term finance certificates, sukuk bonds and	5,787,570 1,330,334	4,534,035 708,837
	foreign currency bonds Units of mutual funds	(3,774) 197,662	1,388 88,758
	Related deferred tax liability	7,311,792 (2,559,128)	5,333,018 (1,866,556

14.2.1 This includes deficit of Rs. 1.486 million (31 December 2015 surplus: Rs. 11.300 million) on revaluation of available for sale securities placed as per arrangements permissible under Shariah.

		(Un-audited) 30 September 2016 (Rupees	(Audited) 31 December 2015 s in '000)
15.	CONTINGENCIES AND COMMITMENTS		
15.1	Direct credit substitutes Financial guarantees issued favouring: – Financial institutions – Others	723,241 3,854,207	462,800 5,086,805
		4,577,448	5,549,605
15.2	Transaction-related contingent liabilities Guarantees issued favouring: – Government – Financial institutions – Others	32,812,676 580,888 10,518,483	29,798,948 668,750 6,743,423
		43,912,047	37,211,121
15.3	Trade-related contingent liabilities Letters of credit Acceptances	88,635,361 14,533,323 103,168,684	77,847,579 13,547,110 91,394,689
15.4 C	commitments in respect of forward lending		
C	Commitments to extend credit (excluding commitments that are unilaterally cancellable)	12,901,446	10,748,236
	Commitments in respect of forward exchange contracts		
F	Purchase	48,399,628	46,760,182
S	Sale	29,476,967	28,769,804
	he maturities of above contracts are spread over the period upto one year.		
	Commitments for the acquisition of operating fixed assets	661,819	635,075



15.7 Other contingencies

Income tax returns of the Bank have been submitted upto and including the Bank's financial year 2014. The income tax assessments of the Bank are complete upto tax year 2013.

For tax year 2012 and 2013, the Additional Commissioner Inland Revenue (ACIR) has passed order u/s. 122(5A) of the Income Tax Ordinance, 2001 by disallowing certain expenses. Subsequently, amended order was received from ACIR based on a rectification application filed by the Bank resulting in net aggregate tax impact of Rs. 797.233 million. The Bank has filed an appeal before the Commissioner Inland Revenue (Appeals) against the above mentioned orders.

Commissioner Inland Revenue (Appeals) has passed appellate orders for tax years 2009 and 2011 by confirming disallowance of provision for non-performing loans, other provisions and amortisation of intangible assets having an aggregate tax impact of Rs. 15.372 million. The Bank has filed an appeal before Income Tax Appellate Tribunal against the above referred orders.

The management, based on the opinion of its tax advisor, is confident about the favourable outcome of the above matters.

		(Un-a	udited)	
	Nine months	period ended	Quarter	rended
	30 September	30 September	30 September	30 September
	2016	2015	2016	2015
		(Rupee	s in '000)	
16. MARK-UP/RETURN/INTEREST EA	RNED			
On loans and advances to:				
Customers	10,590,880	11,071,353	3,562,059	3,534,502
Financial institutions	112,234	90,225	37,976	32,614
	10,703,114	11,161,578	3,600,035	3,567,116
On investments:				
Available for sale securities	14,495,885	15,647,359	4,770,672	4,805,595
Held to maturity securities	10,864,893	10,751,809	3,000,582	3,856,647
	25,360,778	26,399,168	7,771,254	8,662,242
On deposits with financial institutions On securities purchased under	159,731	122,603	47,839	41,968
resale agreements	52,322	32,936	21,311	12,584
On call money lendings	1,504	520	336	297
	36,277,449	37,716,805	11,440,775	12,284,207

16.1 These include Rs. 954.859 million (30 September 2015: Rs. 878.801 million) pertaining to Islamic banking out of which Rs. 72.245 million (30 September 2015: Rs. 62.944 million) represents profit from placements permissible under Shariah.



Bank AL Habib

		Nine months	Un-au) Deriod ended	Quarter	rended
			30 September 2015 (Rupees	30 September 2016	
17.	MARK-UP / RETURN / INTEREST EXPENS	ED	(
	Deposits	12,949,628	14,304,665	4,284,139	4,381,137
	Sub-ordinated loans	375,732	345,270	71,122	113,243
	Repurchase agreement borrowings	3,227,864	3,668,085	847,657	1,147,418
	Borrowings from SBP Other borrowings	462,820 597,460	774,600 344,114	129,326 203,016	209,75 ⁻ 140,187
	Other borrowings	17,613,504	19,436,734	5,535,260	5,991,736
18.	DIVIDEND INCOME				0,001,700
	Available for sale				
	Allied Bank Limited	3,963	4,096	1,321	1,32
	Attock Petroleum Limited	7,866	6,166	4,916	4,320
	Attock Refinery Limited Engro Corporation Limited	500 1,400	_	500	_
	Engro Fertilizer Limited	800	_	800	-
	Fatima Fertilizer Company Limited	312	_	312	-
	Fauji Fertilizer Bin Qasim Limited		10,439	7 007	3,34
	Fauji Fertilizer Company Limited First Habib Modaraba	30,553	29,636 647	7,207	5,64
	Habib Bank Limited	12,596	8,396	4,198	4,19
	Habib Metropolitan Bank Limited	30,055	55,311	-	30,05
	Hub Power Company Limited	61,020	72,461	-	41,95
	Indus Motor Company Limited International Industries Limited	836 238	211	836 185	13
	International Steels Limited	7,029	_	7,029	-
	Kot Addu Power Company Limited	27,287	15,840	-	-
	Lalpir Power Limited	4,844	2,094	2,750	-
	MCB Bank Limited Meezan Bank Limited	12,000	4,753	4,000	1,58 20
	National Investment (Unit) Trust	49,647	357 46,889		_ 20
	Nishat Chunian Power Limited	17,927	15,753	8,366	-
	NIT Government Bond Fund	36,461	67,089	-	-
	NIT Government Treasury Fund	998	-	-	-
	NIT Income Fund NIT Islamic Equity Fund	13,241 10,520	21,081		_
	Packages Limited	263	158	_	_
	Pakgen Power Limited	9,473	4,407	5,066	-
	Pakistan Oilfields Limited	33,218	32,533	18,982	23,72
	Pakistan Petroleum Limited Pakistan State Oil Company Limited	3,699 4,573	12,907 5,487		6,57
	Pakistan Telecommunication Company Limited		- 3,407	6,033	
	PIML Income Fund	-	308	-	-
	Rafhan Maize Products Company Limited	120	-	120	-
	Shell Pakistan Limited	360	180	135	-
	Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited	20,677 6,366	11,580 7,162	2,387	2,38
	United Bank Limited	10,550	8,630	3,165	3,16
		425,425	444,571	79,708	129,262

			Bank A	L Habi
				ER UBILEE
		(Un-au	dited)	
1	line months p	period ended	Quarter	
	2016	30 September 2015	30 September 2016	2015
Held for trading		(Rupees	in 000)	
Adamjee Insurance Company Limited	-	150	_	150
Askari Bank Limited	-	150	-	150
Dawood Hercules Corporation Limited	450	-	450	
Engro Corporation Limited Engro Fertilizer Limited	1,500 400	400 135	525 400	200
Fauji Cement Company Limited	-	750	- 400	750
Fauji Fertilizer Bin Qasim Limited	305	-	-	-
Faysal Bank Limited	100	-		-
Indus Motor Company Limited Lalpir Power Limited	180 100		180	
MCB Bank Limited	_	140	_	_
Pak Electron Limited	313	125	313	125
Pakgen Power Limited	175	-	-	-
Pakistan Telecommunication Company Limited Rafhan Maize Products Company Limited	1,000 72	949	200	949
United Bank Limited	-	302	-	302
Accesione	4,595	3,101	2,140	2,761
Associates First Habib Cash Fund	8,005	21,579	_	_
First Habib Income Fund	9,500	20,357		-
First Habib Islamic Balanced Fund	338	1,388	338	-
First Habib Stock Fund	410	4,000	410	-
Habib Sugar Mills Limited	23,538 41,791	23,416 70,740	748	
	471.811	518.412	82,596	132,023
19. BASIC AND DILUTED EARNINGS PER SH	ARE			
Profit after taxation	5,426,908	5,302,075	1,640,474	1,946,490
	(N	Number of sha	res in thousan	ds)
Weighted average number of ordinary shares	1,111,425	1,111,425	1,111,425	1,111,425
		(Rup	ees)	
Basic and diluted earnings per share	4.88	4.77	1.48	1.75
			(Un-audit	ed)
		NINE 30 Con	months per otember 30	Sentembr
			016	2015
			(Rupees in	· '000)
20. CASH AND CASH EQUIVALENTS				
Cash and balances with treasury bank	S			9,414,248
Balances with other banks Overdrawn nostros			,	4,782,001
			4,157)	(734,430
		54,62	6,845 43	3,461,819



21. FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments measured at the end of reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised: 30 September 2016 (Un-audited)

					30 \$	September 2016 (L	Jn-audited)				
				Carrying amount					Fa	ir value	
	Available for sale	Held for trading	Held to maturity	Loans and receivables	Other financial assets (Rup	Other financial liabilities ees in '000)	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments Financial assets measured at fair value - Investments Federal Government Securities (TBIIs + PIBs + Sukuk Bonds + FC Bonds)	292,143,773						292,143,773	_	292,143.773	_	292,143,773
Foreian Currency Bonds	1.695.662	-	-	-	-	-	1.695.662	_	1.695.662		1.695.662
Foreign Currency Bonds Fully paid-up ordinary shares - Listed	6,186,662	290,508	-	-	-	-	6,477,170	6,674,162	1,090,002	-	6,674,162
Units of mutual funds	1.797.662	290,508	-	-	_	-	1.797.662	0,074,102 1,797,662	_	-	1,797,662
Term Finance Certificates - Listed		-	-	-	-	-	701.639	701,639	-	-	
Term Finance Certificates - Listed	701,639	-	-	-	-	-	701,639	/01,639	-	-	701,639
Financial assets not measured at fair value - Cash and bank balances with treasury banks	-	-	-	-	49,425,628	-	49,425,628	-	-	-	-
- Balances with other banks	-	-	-	-	5,725,374	-	5,725,374	-	-	-	-
 Lendings to financial institutions 	-	-	-	-	-	-	-	-	-	-	-
Investments Federal Government Securities (TBills + PIBs + Sukuk Bonds + FC Bonds + TFC + 0	(hers) 3 203 571	_	95.282.960	_	_	_	98.486.531	_	107.096.101	_	107.096.101
Foreign Currency Bonds			521,149				521.149	_	522,793	_	522,793
Sukuk Bonds	2,866,660		154,984				3,021,644		522,155	_	522,755
Fully paid-up ordinary shares - Un-listed	39.829	_	-			_	39.829	_	_	_	_
Term Finance Certificates - Un-listed	832,230	_	_	_	_	_	832,230	_	_	_	_
Associates Listed shares	- 002,200	_	_	_	- 182.690	_	182.690	392.242	_	_	392.242
Mutual funds					320,000		320,000	301,152	_	_	301,152
Unlisted shares				_	60,000	_	60.000		_	_	
Subsidiaries - Un-listed shares					200,127		200,127		_		_
- Advances	_	_	_	237,487,681	200,127	_	237,487,681	_	_	_	_
- Other assets	_	_	_	- 207,407,001	6,776,455	_	6,776,455	_	_	_	_
	309,467,688	290,508	95,959,093	237,487,681	62,690,274	-	705,895,244	9,866,857	401,458,329	-	411,325,186
Financial liabilities not measured at fair value											
- Deposits and other accounts	-	-	-	-	-	(574,043,263)	(574,043,263)	-	-	-	-
- Bills payable	-	-	-	-	-	(11,671,333)	(11,671,333)	-	-	-	-
- Borrowings	-	-	-	-	-	(80,732,088)	(80,732,088)	-	-	-	-
- Sub - ordinated loans	-	-	-	-	-	(3,999,200)	(3,999,200)	-	-	-	-
- Other liabilities						(7,120,151)	(7,120,151)	_			
		-			-	(677,566,035)	(677,566,035)	-	-	-	
	309,467,688	290,508	95,959,093	237,487,681	62,690,274	(677,566,035)	28,329,209	9,866,857	401,458,329		411,325,186



	-				3	1 December 2015	(Audited)				
	Carrying amount								Fair value		
	Available for sale	Held for trading	Held to maturity	Loans and receivables	Other financial assets (Rup	Other financial liabilities rees in '000)	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments Financial assets measured at fair value - Investments Federal Government Securities											
(TBills + PIBs + Sukuk Bonds + FC Bonds)	208,210,577	-	-	-	-	-	208,210,577	-	208,210,579	-	208,210,579
Foreign Currency Bonds	627,606	-	-	-	-	-	627,606	-	627,606	-	627,606
Fully paid-up ordinary shares - Listed	4,530,493	-	-	-	-	-	4,530,493	4,727,485	-	-	4,727,485
Units of mutual funds	1,638,758	-	-	-	-	-	1,638,758	1,638,758	-	-	1,638,758
Term Finance Certificates - Listed	705,764	-	-	-	-	-	705,764	705,764	-	-	705,764
Financial assets not measured at fair value											
 Cash and bank balances with treasury banks 	-	-	-	-	38,577,738	-	38,577,738	-	-	-	-
- Balances with other banks	-	-	-	-	3,185,669	-	3,185,669	-	-	-	-
- Lendings to financial institutions	-	-	-	-	3,992,794	-	3,992,794	-	-	-	-
 Investments Federal Government Securities 											
(TBills + PIBs + Sukuk Bonds + FC Bonds + TFC + Oth	ners) 1,964,286	_	134,691,407		_		136,655,693		146,203,123	_	146,203,123
Foreign Currency Bonds	1,904,200	_	134,091,407	-	_	-	130,000,090	_	140,203,123	_	140,203,123
Sukuk Bonds	2,472,178	_	172,888	_	_	_	2,645,066		_		
Fully paid-up ordinary shares - Un-listed	39.829	_		_	_	_	39.829	_	_	_	_
Term Finance Certificates - Un-listed	832,400	-	-	-	-	-	832,400	_	-	-	-
Associates	002,100						002,100				
Listed shares	-	-	-	-	182.690	-	182.690	357.876	-	-	357.876
Mutual funds	-	-	-	-	320,000	-	320,000	306,171	-	-	306,171
Unlisted shares	-	-	-	-	60,000	-	60,000	-	-	-	-
Subsidiaries - Un-listed shares	-	-	-	-	200,127	-	200,127	-	-	-	-
- Advances	-	-	-	207,288,608	-	-	207,288,608	-	-	-	-
- Other assets					13,128,891	-	13,128,891		-		
	221,021,891	-	134,864,295	207,288,608	59,647,909	-	622,822,703	7,736,054	355,041,308	-	362,777,362
Financial liabilities not measured at fair value											
- Deposits and other accounts	-	-	-	-	-	(516,213,178)	(516,213,178)	-	-	-	-
- Bills pavable	-	-	-	-	-	(8,665,462)	(8,665,462)	-	-	-	-

Financial liabilities not measured at fair value										
- Deposits and other accounts	-	-	-	-	-	(516,213,178)	(516,213,178)	-	-	
- Bills payable	-	-	-	-	-	(8,665,462)	(8,665,462)	-	-	
- Borrowings	-	-	-	-	-	(62,592,299)	(62,592,299)	-	-	
 Sub - ordinated loans 	-	-	-	-	-	(2,994,600)	(2,994,600)	-	-	
- Other liabilities	-	-	-	-	-	(5,711,244)	(5,711,244)	-	-	
	-	-	-	-	-	(596,176,783)	(596,176,783)	-	-	
	221,021,891	-	134,864,295	207,288,608	59,647,909	(596,176,783)	26,645,920	7,736,054	355,041,308	

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

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-362,777,362

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Bank AL Habib 25 SILVER JUBILEE





22. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Nine months p	eriod ended 30	September 201	6 (Un-audited)
	Retail Banking	Commercial Banking (Rupees	Inter Segment Elimination in '000)	Total
Total income Total expenses	18,585,404 (13,137,658)	33,180,517 (29,241,929)	(12,149,271) 12,149,271	39,616,650 (30,230,316)
Net income	5,447,746	3,938,588		9,386,334
Segment assets (net of provisions)	580,505,706	681,825,368	(536,832,422)	725,498,652
Segment non performing loans	96,888	5,710,904	_	5,807,792
Segment provision required	42,992	4,512,729		4,555,721
Segment liabilities	578,513,577	643,129,348	(536,832,422)	684,810,503
Segment return on assets (ROA) (%) *	3.20%	4.87%		
Segment cost of funds (%)*	2.27%	4.55%		

	Nine months p	period ended 30	September 2015	(Un-audited)
	Retail Banking	Commercial Banking (Rupees	Inter Segment Elimination in '000)	Total
Total income	17,718,210	36,230,125	(12,775,162)	41,173,173
Total expenses	(13,578,944)	(31,316,238)	12,775,162	(32,120,020)
Net income	4,139,266	4,913,887		9,053,153
Segment assets (net of provisions)	461,885,278	621,449,877	(434,544,795)	648,790,360
Segment non performing loans	43,403	5,845,281		5,888,684
Segment provision required	38,468	5,108,970		5,147,438
Segment liabilities	460,376,178	586,748,562	(434,544,795)	612,579,945
Segment return on assets (ROA) (%) *	3.84%	5.83%		
Segment cost of funds (%)*	2.95%	5.34%		

*These percentages have been computed based on closing assets / liabilities figures.





23. RELATED PARTY TRANSACTIONS

Related parties of the Bank comprise subsidiaries, 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 of the Bank 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 end balances outstanding as at the period / year end with related parties are summarised as follows:

		30	September 2016	δ (Un-audited)		
-	Subsidiaries	Associates	Non Executive Directors (Rupees i	Key Management Personnel n '000)	Retirement Benefit Funds	Total
Deposits			(,		
At beginning of the period Placements during the period Withdrawals during the period	13,185 405,177 (390,754)	3,398,002 86,660,504 (85,907,195)	183,973 1,948,629 (1,830,272)	432,539 1,852,249 (1,658,114)	325,824 2,458,128 (2,155,098)	4,353,523 93,324,687 (91,941,433)
At end of the period	27,608	4,151,311	302,330	626,674	628,854	5,736,777
Advances						
At beginning of the period Given during the period Repaid during the period		978,041 20,692,324 (20,315,613)	144 4,019 (2,688)	54,478 72,685 (61,681)	- - -	1,032,663 24,535,454 (24,146,408)
At end of the period	_	1,354,752	1,475	65,482	-	1,421,709
Investments						
At beginning of the period Investments made during the period Investments redeemed during	200,127 _	562,690 -	-	- -	-	762,817 _
the period At end of the period	200,127	562,690				762,817
		743,362				
Contingencies and commitments		143,302				743,362
		3	1 December 20	15 (Audited)		
Deposits						
At beginning of the year Placements during the year Withdrawals during the year	98,058 687,051 (771,924)	3,037,277 157,951,585 (157,590,860)	185,609 2,932,874 (2,934,510)	401,895 2,817,436 (2,786,792)	49,441 2,922,398 (2,646,015)	3,772,280 167,311,344 (166,730,101)
At end of the year	13,185	3,398,002	183,973	432,539	325,824	4,353,523
Advances						
At beginning of the year Given during the year Repaid during the year	_ 10,948,669 (10,948,669)	1,517,483 22,453,719 (22,993,161)	294 2,790 (2,940)	52,960 72,596 (71,078)	- -	1,570,737 33,477,774 (34,015,848)
At end of the year	_	978,041	144	54,478	-	1,032,663
Investments						
At beginning of the year Investments made during the year Investments redeemed during	200,127 _	865,977 548,287	-	-	-	1,066,104 548,287
the year		(851,574)				(851,574)
At end of the year	200,127	562,690	-	-	-	762,817
Contingencies and commitments	-	749,299	-	-	-	749,299



Bank AL Habib

	Subsidiaries	Associates	Non	Key	Retirement	Tota
	Subsidiaries	Associates	Executive Directors	Management Personnel s in '000)	Benefit Funds	Iota
Forward purchase contracts	_	161,315	_	_	_	161,31
Other receivable	13,907	_	-	-	-	13,90
Other payable	135	_	-	-	-	13
Unrealised loss on forward contra Purchase of securities	cts –	2,233	_	_	_	2,23
Purchase of mutual funds	_	_	_	_	_	_
Sale of securities	-	25,243	-	-	615,758	641,00
Redemption of mutual funds	—	-	-	-	-	-
Gain on sale of securities & mutua Mark-up earned	173 ar iunus –	52,028	_	2,451	_	54.65
Mark-up expensed	344	137,807	10,480	21,088	25,105	194,82
Bank charges and commission	1	3,835	8	41	-	3,88
Salaries and allowances	-	-	-	278,742	-	278,74
Bonus Contribution to defined	-	-	-	33,502	-	33,50
contribution plan Contribution to defined	-	-	-	10,847	-	10,84
benefit plan	-	-	-	51,539	-	51,53
Staff provident fund Staff gratuity fund	_	-	_	_	237,589 162,000	237,58 162,00
Directors' fee	-	-	6,600	-	-	6,60
Insurance claim received	-	12,175	<i>_</i>	-	-	12,17
Insurance premium paid Dividend income	_	131,654 41,792	-	_	_	131,65 41,79
Rental income	1,575	41,792	_	_	_	1,57
Rental paid	<i>–</i>	-	-	-	-	-
Commission expensed	1,502	100 000	-	-	-	1,50
Donation Other expensed	_	109,900 5,104	_	_	-	109,90 5,10
Other income	400	202	-	-	81	68
-		Nine months	s period ended 30	September 2015 (U	In-audited)	
prward purchase contracts	11,825	-	-	-	-	11,825
ther payable	135	-	_	-	_	135
realised loss on forward contract	s –	. =	-	-	-	-
urchase of securities	_	1,713	_	_	_	1,713
urchase of mutual funds ale of securities	_	546,574 8.023	_	_	36,936	546,574 44,959
edemption of mutual funds	, –	936,356	-	-		936,356
ain on sale of securities & mutual	funds – 583	84,782 82.857	- 3	2,336	_	84,782 85.779
ark-up earned ark-up expensed	583 714	128,616	11,180	22,632	3,481	166,623
ank charges and commission	1	2,603	9	696		3,309
alaries and allowances	-	-	-	234,910	-	234,910
onus ontribution to defined	-	-	-	43,984	-	43,984
ontribution plan	-	-	-	10,722	-	10,722
ontribution to defined				01 400		01 100
enefit plan aff provident fund	_	_	_	21,492	195.412	21,492 195.412
aff gratuity fund	-	-		-	126,000	126,000
rectors' fée	-	-	5,675	-	-	5,675
surance claim received	_	11,681 129,468	_	_	_	11,681 129,468
surance premium paid vidend income	-	129,468 70,740	-	-	-	129,468 70,740
ental income	1,575	-	-	-	-	1,575
ental paid ommission expensed	830	1,538	_	_	_	1,538 830
onation	-	100	_	-	_	100
Jiaton		3,213	_	_	_	3,213
her expensed her income	_ 401	120			80	601





24. ISLAMIC BANKING BUSINESS

24.1 The Bank is operating 37 (31 December 2015: 29) Islamic Banking branches in Pakistan. The statement of financial position of these branches as at 30 September 2016 is as follows:

ASSETS	Note		2015 s in ' 000)
Cash and balances with treasury banks Balances with and due from financial institutions Investments Islamic financing and related assets	24.2	1,449,826 1,673,794 8,090,531 13,129,770	882,606 744,861 5,594,911 11,980,951
Operating fixed assets Other assets		161,268 243,020	134,795 244,172
		24,748,209	19,582,296
LIABILITIES			[]
Bills payable		72,087	8,452
Due to financial institutions Deposits and other accounts		1,687,928 18,856,513	2,734,239 14,718,557
- Current accounts		6,703,703	4,797,701
 – Saving accounts 		5,698,658	3,675,740
 Term deposits 		5,041,369	5,152,092
– Others		66,859	71,726
 Deposits from financial institutions-remunerative 		1,345,211	1,019,316
– Deposits from financial institutions-non-remune	alive	713	1,982
Due to Head office Other liabilities		311,432 1,561,063	1,490
Other habilities			427,968
		(22,489,023)	(17,890,706)
NET ASSETS		2,259,186	1,691,590
REPRESENTED BY:			
Islamic banking fund		2,200,000	1,500,000
Unremitted profit		60,672	180,290
		2,260,672	1,680,290
(Deficit) / surplus on revaluation of assets		(1,486)	11,300
		2,259,186	1,691,590
			28



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24.2	slamic financing and related assets	(Un-audited) 30 September 2016 (Rupees	(Audited) 31 December 2015 in '000)
	Aurabaha Aurabaha Net book value of assets / investments in ijarah under IFAS 2 Jiminishing musharika Ausawama Export refinance murabaha Export refinance istisna Stisna Gross financing Advance against murabaha Advance against murabaha Advance against ijarah Islamic financing and related assets - gross Less: general provisioning against consumer financing Islamic financing and related assets - net of provision	2,104,673 1,321,469 5,494,490 646,313 - 1,998,167 618,821 12,183,933 352,875 596,958 13,133,766 (3,996) 13,129,770	2,850,625 695,688 3,639,528 274,033 32,351 2,491,638 568,922 10,552,785 1,176,821 253,129 11,982,735 (1,784) 11,980,951
F A	slamic mode of financing Financings / inventory / receivables Advances Less: general provisioning against consumer financing	12,183,933 949,833 (3,996) 13,129,770	10,552,785 1,429,950 (1,784) 11,980,951

24.4 The profit and loss account of the Bank's Islamic Banking branches for the nine months period ended 30 September 2016 is as follows:

	penda endea ou deptember 2010 is as follows.	(Un-au <u>Nine months</u> 30 September 2016 (Rupees	
	Profit / return on financing and placements earned Profit / return on deposits and other dues expensed	954,859 (483,999)	878,801 (477,134)
		470,860	401,667
	Provision against non-performing loans and advance	s (2,212)	(532)
	Net spread earned	468,648	401,135
	OTHER INCOME Fee, commission and brokerage income Dividend income Income from dealing in foreign currencies Other income	50,734 1,654 13,755 14,818 80,961	30,404 _ 7,309 10,617 48,330
	OTHER EXPENSES Administrative expenses	(488,937)	(296,611)
	PROFIT BEFORE TAXATION	60,672	152,854
24.5	Remuneration to Shariah Board / Advisor	3,726	1,800
			29



Bank AL Habib 25 SILVER JUBILEE

24.6 CHARITY FUN	D	(Un-audited) 30 September 2016 (Rupees	(Audited) 31 December 2015 s in '000)
	e 1 the period / year ation during the period / year	2,686 2,115	2,621 2,686
Health Social wel	0 1 7	_ (1,556)	(1,021) (1,600)
		(1,556)	(2,621)
Closing balance		3,245	2,686

25. GENERAL

25.1 SBP has issued BPRD Circular Letter No. 5 dated February 29, 2016 regarding the classification of Islamic financing and related assets. Accordingly, prior year numbers have been reclassified as follows:

- Bai Muajjal of Rs. 1,825.278 million has been reclassified from Lendings to Financial Institutions to Investments.

- Islamic receivables carried in Other assets of Rs. 1,429.950 million have been reclassified to Advances.

No other major reclassifications were made during the period.

25.2 Figures have been rounded off to the nearest thousand rupees unless, otherwise stated.

26. DATE OF AUTHORISATION

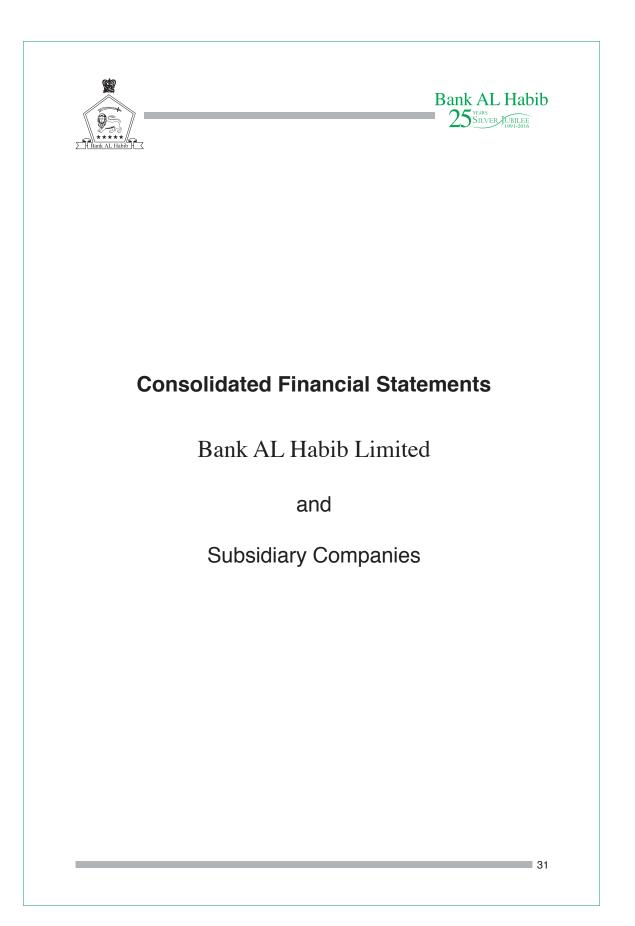
These unconsolidated condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on 20 October 2016.

ALI RAZA D. HABIB Chairman

ABBAS D. HABIB Chief Executive and Managing Director

SYED MAZHAR ABBAS ANWAR HAJI KARIM Director

Director







CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016

ASSETS	Note	(Un-audited) 30 September 2016 (Rupees	(Audited) 31 December 2015 in '000)
Cash and balances with treasury banks Balances with other banks Lendings to financial institutions Investments - net Advances - net Operating fixed assets Deferred tax assets - net Other assets	7 8 9 10	49,425,631 5,769,967 406,759,244 237,488,033 18,085,601 - 8,337,364 725,865,840	38,577,760 3,204,284 3,992,794 356,906,766 207,288,807 15,782,394 - 14,271,009 640,023,814
LIABILITIES Bills payable Borrowings Deposits and other accounts Sub-ordinated loans Liabilities against assets subject to finance lease Deferred tax liabilities - net Other liabilities	11 12 13	11,671,333 80,732,088 574,026,063 3,999,200 	8,665,462 62,592,299 516,197,547 2,994,600
NET ASSETS		41,041,122	38,191,534
REPRESENTED BY: Share capital Reserves Unappropriated profit Equity attributable to the shareholders of the Holding co	ompany	11,114,254 11,411,190 10,917,241 33,442,685	11,114,254 10,329,233 10,414,605 31,858,092
Non-controlling interest Total equity	4.4	<u>112,836</u> 33,555,521	<u>112,979</u> 31,971,071
Surplus on revaluation of assets - net of tax	14	7,485,601	6,220,463
CONTINGENCIES AND COMMITMENTS	15		

The annexed notes 1 to 26 form an integral part of these consolidated condensed interim financial statements.

ALI RAZA D. HABIB Chairman

ABBAS D. HABIB Chief Executive and Managing Director

SYED MAZHAR ABBAS ANWAR HAJI KARIM Director

Director



Bank AL Habib 25^{SILVEE} UBLEE

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

			period ended	Quarter	
	Note	30 September 2016	30 September 2015 (Rupees	30 September 2016 s in '000)	30 Septembe 2015
Mark-up / return / interest earned Mark-up / return / interest expensed	16 17	36,289,531 (17,613,149)	37,730,030 (19,436,613)	11,444,831 (5,535,140)	12,288,663 (5,991,529)
Net mark-up / return / interest income		18,676,382	18,293,417	5,909,691	6,297,134
Reversal / (provision) against non-performing loans and advances - net Provision for diminution in the value of investments Bad debts written-off directly		782,219	(1,359,297) (34)	57,371 	(227,974)
Net mark-up / return / interest income after provisions		782,219 19,458,601	(1,359,331) 16.934.086	57,371	(228,008) 6.069.126
NON MARK-UP / INTEREST INCOME		,,		0,000,000	0,000,120
Fee, commission and brokerage income Dividend income Income from dealing in foreign currencies Gain on sale / redemption of securities - net Unrealised loss on revaluation of investments classified as held for trading Share of profit from associates	18	1,866,742 433,641 457,384 58,229 (9,187) 53,627	1,699,164 452,189 575,864 146,497 (11,398) 78,494 474,494	594,912 82,152 127,613 9,204 (9,192) 19,259	530,855 134,229 105,196 (103,770) (2,015) 20,776 152,663
Other income Total non mark-up / interest income		515,912 3,376,348	3,415,240	158,478 982,426	837,934
···· · · · ·		22,834,949	20,349,326	6,949,488	6,907,060
NON MARK-UP / INTEREST EXPENSES					
Administrative expenses Other reversals / (provisions) / write-offs Other charges		(13,255,321) 26,499 (205,371)	(11,123,329) (23,892) (216,888)	(4,327,397) (4,550) (51,905)	(3,791,800) (63,659)
Total non mark-up / interest expenses		(13,434,193)	(11,364,109)	(4,383,852)	(3,855,459)
		9,400,756	8,985,217	2,565,636	3,051,601
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		9,400,756	8,985,217	2,565,636	3,051,601
Taxation - Current - Prior years - Deferred		(3,500,818) (502,993) 41,137	(3,406,252) (500,484) 151,156	(921,203) 14,733	(1,099,691) 17,896
		(3,962,674)	(3,755,580)	(906,470)	(1,081,795)
PROFIT AFTER TAXATION		5,438,082	5,229,637	1,659,166	1,969,806
Attributable to: Shareholders of the Holding company Non-controlling interest		5,438,225 (143)	5,227,485 2,152	1,659,554 (388)	1,968,922 884
		5,438,082	5,229,637	1,659,166	1,969,806
			(Ru	pees)	
Basic and diluted earnings per share attributable to equity holders of the Holding company	19	4.89	4.70	. , 1.49	1.77
The annexed notes 1 to 26 form an integral part of these co					
ALI RAZA D. HABIB Chairman Managing Director	d	YED MAZHA Direc			IAJI KARIM ector



Bank AL Habib 25^{SILVER} UBILEE 1991-2016

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

	Nine months period ended Quarter en				
	30 September 2016	2015	30 September 2016 s in '000)	30 September 2015	
Profit after taxation for the period	5,438,082	5,229,637	1,659,166	1,969,806	
Other comprehensive income					
tems that are or may be reclassified subsequently to profit and loss account					
Exchange differences on translation of net investment in foreign operations	(3,425)	86,376	(5,089)	60,831	
tems that will never be reclassified to profit and loss account subsequently					
Remeasurement of defined benefit plan Related tax charge	-		-		
	-	-	-	-	
Comprehensive income transferred to equity	5,434,657	5,316,013	1,654,077	2,030,637	
Components of comprehensive income not reflected in equity					
Surplus / (deficit) on revaluation of available for sale securities Related tax charge	1,985,710 (692,606)	2,676,290 (1,140,596)	(171,966) 63,271	71,024 (26,997)	
	1,293,104	1,535,694	(108,695)	44,027	
Total comprehensive income	6,727,761	6,851,707	1,545,382	2,074,664	
Attributable to:					
Shareholders of the Holding company Non-controlling interest	6,726,421 1,340	6,847,545 4,162	1,545,407 (25)	2,073,352 1,312	
	6,727,761	6,851,707	1,545,382	2,074,664	
The annexed notes 1 to 26 form an integral part of these consolid	ated condensed	l interim financi	al statements.		
ALI RAZA D. HABIB ABBAS D. HABIB S Chairman Chief Executive and Managing Director	SYED MAZH <i>Direc</i>			HAJI KARIM T ector	



Bank AL Habib 25^{SILVER} JUBILEE

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

CASH FLOW FROM OPE	RATING ACTIVITIES	Note	30 September 2016 (Rupees	30 September 2015 5 in '000)
Profit before taxation Less: Dividend income			9,400,756 (433,641)	8,985,217 (452,189)
A discourse of a fear		-	8,967,115	8,533,028
Gain on sale of operat Gain on sale / redemp Unrealised loss on hel Charge for defined be Charge for compensa Share of profit from a	tion of securities - net d for trading securities nefit plan ed absences		1,176,132 64,301 (782,219) (65,097) (58,229) 9,187 162,000 36,664 (53,627) (26,499)	836,795 62,892 1,359,297 (15,935) (146,497) 11,398 126,000 41,346 (78,494) 23,892
			462,613	2,220,694
Decrease / (increase) in	operating assets		9,429,728	10,753,722
Lendings to financial in Advances - net Other assets			3,992,794 (29,417,007) 6,001,729	(20,608,695) 3,133,248
Increase in energing li			(19,422,484)	(17,475,447)
Increase in operating li Bills payable Borrowings Deposits and other ac Other liabilities - (exclu			3,005,871 17,620,936 57,828,516 1,980,729	275,944 29,329,792 35,334,857 659,626
			80,436,052	65,600,219
Income tax paid			70,443,296 (3,858,437)	58,878,494 (3,782,944)
Net cash generated from	operating activities	-	66,584,859	55,095,550
CASH FLOW FROM INV Net investments in set Net investments in as: Dividend received Investments in operati Sale proceeds from di	curities sociates		(47,803,315) 41,792 371,528 (3,557,348) 84,512	(43,983,508) 458,811 359,656 (2,468,184) 68,892
Net cash used in investin	g activities	L	(50,862,831)	(45,564,333)
CASH FLOW FROM FIN Receipts / (repayment Dividend paid	ANCING ACTIVITIES s) of sub-ordinated loans		1,004,600 (3,828,502)	(748,500) (3,282,275)
Net cash used in financir Exchange differences	g activities on translation of net investment i	n foreign operations	(2,823,902) (3,425)	(4,030,775) 86,376
Increase in cash and o Cash and cash equiva	cash equivalents lents at beginning of the period	-	12,894,701 41,776,740	5,586,818 37,887,729
Cash and cash equiva	lents at end of the period	20	54,671,441	43,474,547
The annexed notes 1 to 26	form an integral part of these c	ensolidated conden	sed interim financ	ial statements.
ALI RAZA D. HABIB Chairman	ABBAS D. HABIB S Chief Executive and Managing Director	YED MAZHAR A <i>Director</i>		R HAJI KARIM <i>Director</i>
				35





CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

	Revenue Reserves								
	Share Capital	Statutory F Reserve	oreign Currency Translation Reserve	Special Reserve	General Reserve	Unappro -priated Profit	Sub Total	Non- controlling Interest	Total
				(F	Rupees in '00	D)			
Balance as at 01 January 2015	11,114,254	7,932,650	161,761	126,500	540,000	7,912,345	27,787,510	113,969	27,901,47
Total comprehensive income for the nine months period ended 30 September									
Profit after tax	-	-	-	-	-	5,227,485	5,227,485	2,152	5,229,6
Other comprehensive income	-	-	86,376	-	-	-	86,376	-	86,3
	_	-	86,376	-	-	5,227,485	5,313,861	2,152	5,316,0
Fransfer from surplus on revaluation of fixed assets - net of tax	-	-	_	_	-	39,642	39,642	_	39,6
Fransfer to statutory reserve	-	1,060,415	-	-	-	(1,060,415)	-	-	-
Transaction with owners, recorded directly in equity:									
Cash dividend (Rs. 3 per share)	-	-	-	-	-	(3,334,276)	(3,334,276)	-	(3,334,27
Balance as at 30 September 2015	11,114,254	8,993,065	248,137	126,500	540,000	8,784,781	29,806,737	116,121	29,922,8
Total comprehensive income for the quarter ended 31 December 2015:									
Profit after tax	-	-	-	-	-	2,105,257	2,105,257	(3,142)	2,102,1
Other comprehensive income	-	-	964	-	-	(68,080)	(67,116)	-	(67,1
	-	-	964	-	-	2,037,177	2,038,141	(3,142)	2,034,9
Fransfer from surplus on revaluation of fixed assets - net of tax	-	_	_	-	_	13,214	13,214	_	13,2
Transfer to statutory reserve	-	420,567	-	-	-	(420,567)	_	-	
Balance as at 31 December 2015	11,114,254	9,413,632	249,101	126,500	540,000	10,414,605	31,858,092	112,979	31,971,0
Total comprehensive income for the nine months period ended 30 September									
Profit after tax	-	-	-	-	-	5,438,225	5,438,225	(143)	5,438,0
Other comprehensive income	-	-	(3,425)	-	-	-	(3,425)	-	(3,4
	-	-	(3,425)	-	-	5,438,225	5,434,800	(143)	5,434,6
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	39,782	39,782	-	39,7
Transfer to statutory reserve	-	1,085,382	-	-	-	(1,085,382)	-	-	-
Transaction with owners, recorded directly in equity:									
Cash dividend (Rs. 3.5 per share)						(3,889,989)	(3,889,989)		(3,889,98
Balance as at 30 September 2016	11,114,254	10,499,014	245,676	126,500	540,000	10,917,241	33,442,685	112,836	33,555,5

ALI RAZA D. HABIB Chairman Chief Executive and Managing Director SYED MAZHAR ABBAS Director Director 36





NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2016

1. STATUS AND NATURE OF BUSINESS

1.1 The Group comprises of:

Holding company

Bank AL Habib Limited

Subsidiaries

- AL Habib Capital Markets (Private) Limited
- AL Habib Credit & Finance (Hong Kong) Limited
- 1.2 Bank AL Habib Limited (the Bank) is a banking company 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 Pakistan Stock Exchange Limited. It is a scheduled bank principally engaged in the business of commercial banking with a network of 500 branches (31 December 2015: 423 branches), 87 sub-branches (31 December 2015: 03 representative offices). The branch network of the Bank includes 03 overseas branches (31 December 2015: 03 overseas branches) and 37 Islamic Banking branches (31 December 2015: 29 Islamic Banking branches).
- 1.3 The Bank has invested in 66.67% shares of AL Habib Capital Markets (Private) Limited. 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 Pakistan Stock Exchange Limited and is engaged in equity, money market and foreign exchange brokerage services, equity research, corporate financial advisory and consultancy services.
- 1.4 AL Habib Credit & Finance (Hong Kong) Limited is a wholly owned subsidiary of the Bank. It is a limited liability company incorporated and domiciled in Hong Kong. The Company has not commenced operations and is in the process of obtaining a Deposit Taking Companies license from the Hong Kong Monetary Authority.

2. BASIS OF PRESENTATION

2.1 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing includes purchase of goods by banks from customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchase and resale arising under these arrangements are not reflected in these consolidated condensed interim financial statements as such, but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon. However, the Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS).





2.2 The financial results of the Islamic Banking branches have been consolidated in these consolidated condensed interim financial statements for reporting purposes, after eliminating material inter-branch transactions / balances. Key financial information of the Islamic Banking branches are disclosed in note 24.

3. STATEMENT OF COMPLIANCE

- **3.1** These consolidated condensed interim financial statements of the Group have been prepared, in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting', IFAS issued by the Institute of Chartered Accountants of Pakistan, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and SBP. In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Comp
- **3.2** 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: 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 SBP.
- **3.3** The disclosures made in these consolidated condensed interim 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". They do not include all the information required in the annual financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2015.

4. BASIS OF MEASUREMENT

4.1 Accounting convention

These consolidated condensed interim financial statements have been prepared under the historical cost convention, except that certain fixed assets and non-banking assets acquired in satisfaction of claims are stated at revalued amounts, certain investments and commitments in respect of certain forward exchange contracts have been marked to market and are carried at fair value and staff retirement benefits are carried at present value.

4.2 Functional and presentation currency

These consolidated condensed interim financial statements are presented in Pak Rupees which is the Group's functional currency and presentation currency.





4.3 Accounting estimates and assumptions

The preparation of these consolidated condensed interim financial statements requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The assumptions and estimates that are significant to these consolidated condensed interim financial statements are the same as those disclosed in the annual financial statements of the Group for the year ended 31 December 2015.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for preparation of these consolidated condensed interim financial statements are same as those applied in the preparation of annual financial statements of the Group for the year ended 31 December 2015 except for the reclassification as required by SBP vide its BPRD Circular No. 1 of 2016, BPRD Circular Letter No. 05 of 2016 and additional disclosures in respect of Islamic Index Screening as required by Circular No. 14 of 2016 issued by SECP.

Non-banking assets acquired in satisfaction of claims:

Effective 1 January 2016, the Bank has changed its accounting policy for recording of non-banking assets acquired in satisfaction of claims to comply with the requirements of the 'Regulations for Debt Property Swap' (the regulations) issued by SBP vide its BPRD Circular No. 1 of 2016, dated 1 January 2016. In line with the guidance provided in the Regulations, the non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation. These assets are revalued by professionally qualified valuers to ensure that their net carrying value does not differ materially from their fair value. A surplus arising on revaluation of property is credited to the 'surplus on revaluation of fixed assets' account and any deficit arising on revaluation is taken to profit and loss account directly. Legal fees, transfer costs and direct costs of acquiring title to property is charged to profit and loss account and not capitalised. Previously, non-banking assets acquired in satisfaction of claims were carried at cost less impairment, if any. Had the accounting policy not been changed, non-banking assets (included in Other Assets in the statement of financial position), surplus on revaluation of assets and deferred tax liability - net would have been lower by Rs. 11.678 million, Rs. 11.676 million and Rs. 1.258 million respectively while profit after tax would have been higher by Rs. 1.396 million.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual financial statements of the Bank for the year ended 31 December 2015.

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ALANCES WITH OTHER BANKS These include Rs. 1,673.794 million (31 December 2015: Rs. 744.861 million) placed under Sharlah permissible mode. 30 September 2016 (Un-audited) 31 December 2015 (Audited) Held by Given as Group Total Collateral 31 December 2015 (Audited) Note Resentation Given as Group Total Collateral 31 December 2015 (Audited) Note Investments by type Auailable for Sale Securities Group Group Collateral Group Collateral Group Group Collateral Group Group Group Group Collateral Group Group <t< th=""><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th></t<>								
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Associates Habib Sugar Mills Limited 416,191 - 416,191 396,615 - 396,615 Habib Asset Management Limited 83,965 - 83,965 - 84,236 - 84,226 First Habib Istome Fund 138,553 - 138,553 - 138,553 142,719 - 142,719 First Habib Stock Fund 10,659 - 10,659 9,534 - 9,534 First Habib Islamic Balanced Fund 10,424 - 10,424 9,812 - 9,812 Neestments at cost 340,564,526 59,077,940 399,642,466 312,407,515 39,361,572 351,769,06 Less: Provision for diminution in the value of investments (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185)		Held for Trading Securities						
Habib Sugar Mills Limited 416,191 - 416,191 396,615 - 396,615 Habib Asset Management Limited 83,965 - 83,965 - 83,965 - 84,236 - 84,227 First Habib Isock Fund 138,553 - 138,553 - 138,553 142,719 - 142,71 First Habib Stock Fund 10,659 - 10,659 9,534 - 9,534 First Habib Islamic Balanced Fund 10,424 - 10,424 9,812 - 9,812 Investments at cost 340,564,526 59,077,940 399,642,466 312,407,515 39,361,572 351,769,06 Less: Provision for diminution in the value of investments (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - <t< td=""><td></td><td>Fully paid-up ordinary shares - Listed</td><td>299,695</td><td>-</td><td>299,695</td><td>-</td><td>-</td><td>-</td></t<>		Fully paid-up ordinary shares - Listed	299,695	-	299,695	-	-	-
Habib Asset Management Limited 83,965 - 83,965 84,236 - 84,237 First Habib Income Fund 138,553 - 138,553 142,719 - 142,71 First Habib Stock Fund 10,659 - 10,659 9,534 - 9,534 First Habib Cash Fund 141,516 - 141,516 144,106 - 144,106 First Habib Islamic Balanced Fund 10,424 - 10,424 9,812 - 9,81 Newstments at cost 340,564,526 59,077,940 399,642,466 312,407,515 39,361,572 351,769,06 Less: Provision for diminution in the value of investments (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185)		Associates						
Habib Asset Management Limited 83,965 - 83,965 84,236 - 84,237 First Habib Income Fund 138,553 - 138,553 142,719 - 142,71 First Habib Stock Fund 10,659 - 10,659 9,534 - 9,534 First Habib Cash Fund 141,516 - 141,516 144,106 - 144,106 First Habib Islamic Balanced Fund 10,424 - 10,424 9,812 - 9,81 Newstments at cost 340,564,526 59,077,940 399,642,466 312,407,515 39,361,572 351,769,06 Less: Provision for diminution in the value of investments (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185) - (213,185)		Habib Sugar Mills Limited	416.191	-	416.191	396.615	-	396,615
First Habib Stock Fund 10,659 - 10,659 9,534 - 9,53 First Habib Cash Fund 141,516 - 141,516 144,106 - 144,10 First Habib Islamic Balanced Fund 10,424 - 10,424 9,812 - 9,812 Investments at cost 340,564,526 59,077,940 399,642,466 312,407,515 39,361,572 351,769,06 Less: Provision for diminution in the value of investments (213,185) - (213,18		Habib Asset Management Limited		-			-	84,236
First Habib Cash Fund 141,516 - 144,106 - 144,106 First Habib Islamic Balanced Fund 10,424 - 10,424 9,812 - 9,813 801,308 - 801,308 - 801,308 787,022 - 787,022 Investments at cost 340,564,526 59,077,940 399,642,466 312,407,515 39,361,572 351,769,06 Less: Provision for diminution in the value of investments (213,185) - (213,185)				-			-	142,719
First Habib Islamic Balanced Fund 10,424 - 10,424 9,812 - 9,813 Investments at cost 801,308 - 801,308 787,022 - 787,022 - 787,022 Investments at cost 340,564,526 59,077,940 399,642,466 312,407,515 39,361,572 351,769,082 Less: Provision for diminution in the value of investments (213,185) - (213,185)			,	-	,		-	9,534
801,308 - 801,308 - 801,308 787,022 - 787,02 Investments at cost 340,564,526 59,077,940 399,642,466 312,407,515 39,361,572 351,769,08 Less: Provision for diminution in the value of investments (213,185) - (213,185) 5 (213,185) - (2				-		· · ·	-	9,812
Investments at cost 340,564,526 59,077,940 399,642,466 312,407,515 39,361,572 351,769,08 Less: Provision for diminution in the value of investments (213,185) – (213,185) Size,133,133 Size,133,133,133,133,133,133,133,133,133,13			,	-	,	- / -	-	787,022
Less: Provision for diminution in the value of investments (213,185) – (213,185) Junce State		-	040 504 500	50 077 040			00.001.570	
the value of investments (213,185) - (21			340,304,320	59,077,940	J99,042,400	312,407,515	39,301,572	301,709,007
Investments (net of provisions) 340,351,341 59,077,940 399,429,281 312,194,330 39,361,572 351,555,90 Surplus on revaluation of available for sale securities - net 7,295,725 43,425 7,339,150 5,231,116 119,748 5,350,86 Deficit on revaluation of held 340,351,341 39,077,940 399,429,281 312,194,330 39,361,572 351,555,90			(213,185)	-	(213,185)	(213,185)	_	(213,185)
Surplus on revaluation of available for sale securities - net 7,295,725 43,425 7,339,150 5,231,116 119,748 5,350,86 Deficit on revaluation of held		-		50.077.040			00.001.570	,
for sale securities - net 7,295,725 43,425 7,339,150 5,231,116 119,748 5,350,86 Deficit on revaluation of held			340,351,341	59,077,940	399,429,281	312,194,330	39,301,572	351,555,902
			7,295,725	43,425	7,339,150	5,231,116	119,748	5,350,864
		Deficit on revaluation of held for trading securities - net	(9,187)	_	(9,187)	_	_	_

8.2 The aggregate market value of held to maturity securities as at 30 September 2016 amounted to Rs. 107,774 million (31 December 2015: Rs. 146,376 million).

1
Bank AL Habib

Bank AL Habib

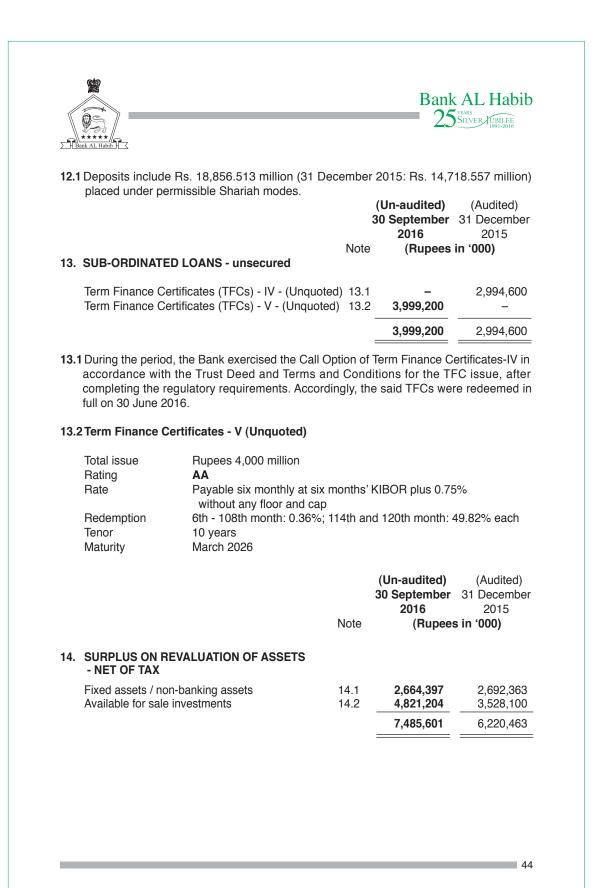
		Note	(Un-audited) 30 September 2016 (Rupees	(Audited) 31 December 2015 in '000)
9.	ADVANCES			
	Loans, cash credits, running finances, etc. – In Pakistan – Outside Pakistan		195,427,106 16,396,958	171,210,572 14,648,449
			211,824,064	185,859,021
	Islamic financing and related assets - gross	9.4 & 24.2	13,133,766	11,982,735
	Net investment in finance lease			
	– In Pakistan – Outside Pakistan		7,275,255 –	4,297,187 _
			7,275,255	4,297,187
	Bills discounted and purchased (excluding market treasury bills)			
	- Payable in Pakistan		1,603,049	3,222,616
	 Payable outside Pakistan 		11,138,110	10,340,898
			12,741,159	13,563,514
	Advances - gross		244,974,244	215,702,457
	Provision against non-performing loans and advance - Specific provision	es 9.1	(4,555,721)	(5,537,371)
	- General provision against small enterprises and		(400,400)	(100.070)
	consumer advances (as per SBP regulations) – General provision	9.2 9.3	(180,490) (2,750,000)	(126,279) (2,750,000)
			(7,486,211)	(8,413,650)
	Advances - net of provisions		237,488,033	207,288,807

9.1 Advances include Rs. 5,807.792 million (31 December 2015: Rs. 5,874.374 million) which have been placed under non-performing status as detailed below:

				30 Septem	ber 2016 (U	n-audited)		
	Clas	sified adva	ances	Prov	vision requi	red	Р	rovision he	ld
	Domestic	Overseas	Total		Overseas upees in '00	Total 0)	Domestic	Overseas	Total
Category of classifi	cation								
Other assets espec	ially								
mentioned	49,313	-	49,313	2,324	-	2,324	2,324	-	2,324
Substandard	1,523,268	-	1,523,268	380,162	-	380,162	380,162	-	380,162
Doubtful	61,370	-	61,370	16,800	-	16,800	16,800	-	16,800
Loss	3,231,292	942,549	4,173,841	3,213,886	942,549	4,156,435	3,213,886	942,549	4,156,435
	4,865,243	942,549	5,807,792	3,613,172	942,549	4,555,721	3,613,172	942,549	4,555,721

Eank AL Habib							AL H	
			31 Decer	nber 2015	(Audited)			
	Classified ac Domestic Overse			vision requ Overseas			Provision he Overseas	
	Domestic Overse	eas Total		upees in '00		DOMESTIC	Overseas	Total
Category of classification	n							
Other assets especially	0.005	0.005	10		10	10		
mentioned Substandard	3,335 – 43,810 –	3,335 43,810		-	40 10.940	40 10.940	-	4 10,94
Doubtful	599,534 -			-	299,767	309,485	-	309,48
Loss	4,280,034 947,66	1 5,227,695	4,269,245	947,661	5,216,906	4,269,245	947,661	5,216,90
	4,926,713 947,66	1 5,874,374	4,579,992	947,661	5,527,653	4,589,710	947,661	5,537,37
9.2 General provision ro 2015: Rs. 100.618 r December 2015: Rs the Prudential Regu portfolio includes Rs Shariah.	million) against co . 25.661 million) Ilations issued b	onsumer against a v SBP. G	finance dvances eneral	portfol s to sm provisio	io and all ente on agai	Rs. 47. rprises nst con	661 mil as requ Isumer	lion (3 uired b financ
9.3 In line with its prude advances portfolio. 7 Regulations and as 2015: Rs. 2,750 mill	his general provision of 30 Septembe	sion is in a	addition	to the i	requirer	nents o	f the Pri	udentia
9.4 These represents fir	nancing and relat	ed assets	s placed	l under	Sharia	h permi	issible r	nodes
10. OPERATING FIXE	DASSETS				2010	mber 6	(Audi 31 Dec 20 [:] 3 in '00	embei 15
Capital work-in-pro					925.	532	70	3,896
Property and equip					17,068,			9,585
Intangible assets						347		8,913
					18,085,	601	15,78	2,394
						(Un-au		
							oeriod 30 Sep	
				50	2010 2010			15
					(F	Rupees	in '00)
10.1The following addit	ions were made	during t	ne perio	od:				
Leasehold land					315			9,840
Buildings on leasel					1,191			28,746
		gs				,236 ,944		6,059 8,464
Improvements to le		inments			949			,404)4,530
Furniture and fixtur Electrical, office and	d computer equ	ipinonio				,074		2,488
Furniture and fixtur Electrical, office an Vehicles	d computer equ	ipmento						
Furniture and fixtur Electrical, office an	d computer equ	phiento		_		,070	2	2,400 26,551 6,678

Bank AL Habib	Banl 25	AL Habib Silver Tibilee
		udited) period ended 30 Setpember 2015
		s in '000)
10.2 The written down value of fixed assets disposed off during the period were as follows:		
Improvements to leasehold buildings Furniture and fixtures Electrical, office and computer equipments Vehicles	8,221 737 2,872 7,585	35,224 2,128 6,255 9,350
	19,415	52,957
	(Un-audited) 30 September 2016	2015
11. BORROWINGS	(Rupee	s in '000)
Secured		
Borrowings from SBP – Export refinance scheme – Long term financing for export oriented projects – Long term financing for imported and locally	16,369,828 –	19,118,954 4,246
manufactured plant and machinery – Financing facility for storage of agricultural produ	4,714,503 ce 12,240	3,953,374 36,861
Repurchase agreement borrowings	21,096,571 59,111,360	23,113,435 39,473,560
	80,207,931	62,586,995
Unsecured Overdrawn nostros	524,157	5,304
	80,732,088	62,592,299
12. DEPOSITS AND OTHER ACCOUNTS		
12. DEPOSITS AND OTHER ACCOUNTS Customers		
Customers Fixed deposits	124,662,914	120,268,519
Customers Fixed deposits Savings deposits	165,765,299	150,427,540
Customers Fixed deposits Savings deposits Current accounts - Remunerative	165,765,299 67,454,905	150,427,540 57,094,573
Customers Fixed deposits Savings deposits	165,765,299 67,454,905 201,141,963	150,427,540 57,094,573 175,902,813
Customers Fixed deposits Savings deposits Current accounts - Remunerative Current accounts - Non-remunerative	165,765,299 67,454,905	150,427,540 57,094,573 175,902,813
Customers Fixed deposits Savings deposits Current accounts - Remunerative Current accounts - Non-remunerative Financial institutions	165,765,299 67,454,905 201,141,963 559,025,081	150,427,540 57,094,573 175,902,813 503,693,445
Customers Fixed deposits Savings deposits Current accounts - Remunerative Current accounts - Non-remunerative Financial institutions Remunerative deposits	165,765,299 67,454,905 201,141,963 559,025,081 12,823,364	150,427,540 57,094,573 175,902,813 503,693,445 11,451,951
Customers Fixed deposits Savings deposits Current accounts - Remunerative Current accounts - Non-remunerative Financial institutions	165,765,299 67,454,905 201,141,963 559,025,081 12,823,364 2,177,618	150,427,540 57,094,573 175,902,813 503,693,445 11,451,951 1,052,151
Customers Fixed deposits Savings deposits Current accounts - Remunerative Current accounts - Non-remunerative Financial institutions Remunerative deposits	165,765,299 67,454,905 201,141,963 559,025,081 12,823,364	150,427,540 57,094,573 175,902,813 503,693,445 11,451,951



Hank			AL Habib
		(Un-audited) 30 September 2016 (Rupees	(Audited) 31 December 2015 s in '000)
14.1	Fixed assets / non-banking assets		
	Balance at beginning of the period / year Surplus / (adjustment) on revaluation of the Bank's fixed assets / non-banking assets during the period / year	3,489,993 13,825	3,575,215 (3,905)
	Transfer to unappropriated profit in respect of incremental depreciation charged during	10,020	(0,000)
	the period / year	(61,203)	(81,317)
		3,442,615	3,489,993
	Related deferred tax liability on: Balance at beginning of the period / year	797,630	826,092
	Revaluation of the Bank's fixed assets / non-banking assets during the period / year Transfer to unappropriated profit in respect of		-
	incremental depreciation charged during the period / year	(21,421)	(28,462)
		(778,218)	(797,630)
		2,664,397	2,692,363
14.2	Available for sale investments		
	Federal Government Securities	5,793,446	4,543,743
	Fully paid-up ordinary shares Term finance certificates, sukuk bonds,	1,346,786	716,974
	foreign currency bonds and others	46,454	49,163
	Units of mutual funds	<u>197,662</u> 7,384,348	88,758
	Related deferred tax liability	(2,563,144)	5,398,638 (1,870,538)
	· · · · · · · · · · · · · · · · · · ·	4,821,204	3,528,100
14.2 1	This includes deficit of Rs. 1.486 million (31 Decem	ber 2015 surpli	us: Bs 11.300

		(Un-audited) 30 September 2016 (Rupee	(Audited) 31 December 2015 s in '000)
15.	CONTINGENCIES AND COMMITMENTS		
15.1	Direct credit substitutes Financial guarantees issued favouring: – Financial institutions – Others	723,241 3,854,207	
		4,577,448	5,549,605
15.2	Transaction-related contingent liabilities Guarantees issued favouring: – Government – Financial institutions – Others	32,812,676 580,888 10,518,483 43,912,047	29,798,948 668,750 6,743,423 37,211,121
15.3	Trade-related contingent liabilities Letters of credit Acceptances	88,635,361 14,533,323 103,168,684	77,847,579 13,547,110 91,394,689
	Commitments in respect of forward lending Commitments to extend credit (excluding commitments that are unilaterally cancellable)	12,901,446	10,748,236
	Commitments in respect of forward exchange contracts		
F	Purchase	48,399,628	46,760,182
S	Sale	29,476,967	28,769,804
	he maturities of above contracts are spread over the period upto one year.		
	Commitments for the acquisition of operating fixed assets	663,381	636,406



Bank AL Habib 25^{Silver}

15.7 Other contingencies

Income tax returns of the Bank have been submitted upto and including the Bank's financial year 2014. The income tax assessments of the Bank are complete upto tax year 2013.

For tax year 2012 and 2013, the Additional Commissioner Inland Revenue (ACIR) has passed order u/s. 122(5A) of the Income Tax Ordinance, 2001 by disallowing certain expenses. Subsequently, amended order was received from ACIR based on a rectification application filed by the Bank resulting in net aggregate tax impact of Rs. 797.233 million. The Bank has filed an appeal before the Commissioner Inland Revenue (Appeals) against the above mentioned orders.

Commissioner Inland Revenue (Appeals) has passed appellate orders for tax years 2009 and 2011 by confirming disallowance of provision for non-performing loans, other provisions and amortisation of intangible assets having an aggregate tax impact of Rs. 15.372 million. The Bank has filed an appeal before Income Tax Appellate Tribunal against the above referred orders.

The management, based on the opinion of its tax advisor, is confident about the favourable outcome of the above matters.

	(Un-audited)						
	Nine months	period ended	Quarte	r ended			
	30 Septembe	r 30 September	30 September	30 September			
	2016	2015	2016	2015			
		(Rupees	s in '000)				
16. MARK-UP/RETURN/INTEREST EA	RNED						
On loans and advances to:							
Customers	10,590,897	11,071,370	3,562,066	3,534,505			
Financial institutions	112,061	90,225	37,953	32,614			
	10,702,958	11,161,595	3,600,019	3,567,119			
On investments:							
Available for sale securities	14,507,906	15,660,472	4,774,669	4,818,708			
Held to maturity securities	10,864,893	10,751,809	3,000,582	3,847,962			
	25,372,799	26,412,281	7,775,251	8,666,670			
On deposits with financial institutions On securities purchased under	159,948	122,697	47,914	41,992			
resale agreements	52,322	32,936	21,311	12,584			
On call money lendings	1,504	521	336	298			
	36,289,531	37,730,030	11,444,831	12,288,663			

16.1 These include Rs. 954.859 million (30 September 2015: Rs. 878.801 million) pertaining to Islamic banking out of which Rs. 72.245 million (30 September 2015: Rs. 62.944 million) represents profit from placements permissible under Shariah.



Bank AL Habib 25^{Stlver} UBILEE

		(1)		
		•	udited)	andad
	Nine months		Quarter	
	•	30 September	30 September 2016	-
	2016	2015		2015
		(Rupee:	s in '000)	
17. MARK-UP / RETURN / INTEREST EXPEN	ISED			
Deposits	12,949,273	14,303,965	4,284,019	4,380,899
Sub-ordinated loans	375,732	345,270	71,122	113,243
Repurchase agreement borrowings	3,227,864	3,668,085	847,657	1,147,418
Borrowings from SBP	462,820	774,600	129,326	209,751
Other borrowings	597,460	344,693	203,016	140,218
	17,613,149	19,436,613	5,535,140	5,991,529
18. DIVIDEND INCOME				
Available for sale				
Allied Bank Limited	3,963	4,096	1,321	1,322
Attock Petroleum Limited	7,866	6,166	4,916	4,326
Attock Refinery Limited Engro Corporation Limited	500 1,400		500 1,400	
Engro Fertilizer Limited	800		800	
Fatima Fertilizer Company Limited	312	-	312	-
Fauji Fertilizer Bin Qasim Limited		10,439	7 007	3,341
Fauji Fertilizer Company Limited First Habib Modaraba	30,553	29,636 647	7,207	5,643
Habib Bank Limited	13,509	8,700	4,502	4,501
Habib Metropolitan Bank Limited	30,055	55,311	_	30,055
Hub Power Company Limited	63,040	74,851	-	43,342
Indus Motor Company Limited	836 238	211	836 185	132
International Steels Limited	7,029	_	7,029	-
Kot Addu Power Company Limited	27,287	15,840	_	
Lalpir Power Limited	4,844	2,094	2,750	
MCB Bank Limited	12,000	4,753	4,000	1,584
Meezan Bank Limited National Investment (Unit) Trust	49,647	357 46,889		208
Nishat Chunian Power Limited	17,927	15,753	8,366	
NIT Government Bond Fund	36,461	67,089	-	-
NIT Government Treasury Fund	998		-	-
NIT Income Fund NIT Islamic Equity Fund	13,241 10,520	21,081		
Packages Limited	263	158		
Pakgen Power Limited	9,473	4,407	5,066	-
Pakistan Oilfields Limited	33,218	32,533	18,982	23,727
Pakistan Petroleum Limited Pakistan State Oil Company Limited	3,987 4,573	14,130 5,487	_	7,088
Pakistan Telecommunication Company Limited		5,467	6,033	
Pakistan Stock Exchange Limited	400	600	-	
PIML Income Fund	-	308	-	-
Rafhan Maize Products Company Limited	120	- 100	120	-
Shell Pakistan Limited Soneri Bank Limited	360 20,677	180 11,580	135	
Standard Chartered Bank (Pakistan) Limited	6,366	7,162	2,387	2,387
United Bank Limited	10,550	8,630	3,165	3,165
	429,046	449,088	80,012	131,468

/.				Bank A	
ſ				25 ^{YEAR}	S VER UBILEE 1991-2016
∑¶ E	x+***/				
	,	line months p		udited) Quarter	r ended
			30 September 2015	30 September 2016 s in '000)	30 Septemb 2015
	Held for trading				
	Adamjee Insurance Company Limited Askari Bank Limited	-	150 150	-	15 15
	Dawood Hercules Corporation Limited	450	-	450	-
	Engro Corporation Limited Engro Fertilizer Limited	1,500 400	400 135	525 400	20
	Fauji Cement Company Limited	400	750	400	750
	Fauji Fertilizer Bin Qasim Limited	305	-	-	-
	Faysal Bank Limited Indus Motor Company Limited	100 180		- 180	_
	Lalpir Power Limited	100	-	-	-
	MCB Bank Limited Pak Electron Limited	- 313	140 125	- 313	- 12
	Pakgen Power Limited	175	-	-	-
	Pakistan Telecommunication Company Limited	1,000	949	200	94
	Rafhan Maize Products Company Limited United Bank Limited	72	302	72	- 302
		4,595	3,101	2,140	2,76
		433,641	452,189	82,152	134,22
19.	BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPAN Profit after taxation - attributable to	IY			
	equity holders of the Holding company	5,438,225	5,227,485	1,659,554	1,968,92
		()	Number of sha	ires in thousar	nds)
	Weighted average number of ordinary shares	1,111,425	1,111,425	1,111,425	1,111,42
			(Rup	pees)	
	Basic and diluted earnings per share	4.89	4.70	1.49	1.7
				(Un-audit months pe	riod ende
				ptember 30 016 (Rupees in	2015
20.	CASH AND CASH EQUIVALENTS			, . p	/
	Cash and balances with treasury bank	s	49,42	25,631 3	9,414,27
	Balances with other banks			-	4,794,69
	Overdrawn nostros		(52	24,157)	(734,43
			54,67	71,441 4	3,474,54



Bank AL Habib 25 Silver UBILEE 1991-2016

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

					30 \$	September 2016 (l	Jn-audited)				
				Carrying amount					Fa	ir value	
	Available for sale	Held for trading	Held to maturity	Loans and receivables	Other financial assets (Rup	Other financial liabilities lees in '000)	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments Financial assets measured at fair value - Investments Federal Government Securities											
(TBills + PIBs + Sukuk Bonds + FC Bonds)	292,294,575	-	-	-	-	-	292,294,575	-	292,294,575	-	292,294,575
Foreign Currency Bonds	1,695,662	-	-	-	-	-	1,695,662	-	1,695,662	-	1,695,662
Fully paid-up ordinary shares - Listed	6,256,684	290,508	-	-	-	-	6,547,192	6,749,214	_	-	6,749,214
Units of mutual funds	1,797,662	·	-	-	-	-	1,797,662	1,797,662	-	-	1,797,662
Term Finance Certificates - Listed	701,639	-	-	-	-	-	701,639	701,639	-	-	701,639
Financial assets not measured at fair value											
 Cash and bank balances with treasury banks 	-	-	-	-	49,425,631	-	49,425,631	-	-	-	-
- Balances with other banks	-	-	-	-	5,769,967	-	5,769,967	-	-	-	-
 Lendings to financial institutions 	-	-	-	-	-	-	-	-	-	-	-
- Investments											
Federal Government Securities	0.000 574		05 000 000				00 400 504		407 000 404		107 000 101
(TBills + PIBs + Sukuk Bonds + FC Bonds + TFC + Oth	iers) 3,203,571	-	95,282,960 521,149	-	-	-	98,486,531 521,149	-	107,096,101	-	107,096,101
Foreign Currency Bonds	-	-		-	-	-		-	522,793	-	522,793
Sukuk Bonds	2,866,660 59.652	-	154,984	-	-	-	3,021,644	-	-	-	-
Fully paid-up ordinary shares - Un-listed Term Finance Certificates - Un-listed	59,052 832,230	-	-	-	-	-	59,652	-	-	-	-
Associates	832,230	-	-	-	-	-	832,230	-	-	-	-
Listed shares				_	416,191	_	416.191	392,242			392.242
Mutual funds	-	-		_	301,152	_	301.152	392,242	-	_	392,242
Un-listed shares	-	-	_	-	83,965	_	83,965	- 301,152	-	-	301,132
- Advances	_		_	237,488,033	03,903	_	237.488.033		_	_	_
- Other assets	_	_	_	201,400,000	6,797,515	_	6,797,515	_	_	_	_
	309,708,335	290,508	95,959,093	237,488,033	62,794,421		706,240,390	9,941,909	401,609,131		411,551,040
Financial liabilities not measured at fair value	;		,,				,		- ,, -		1 1
- Deposits and other accounts					_	(574.026.063)	(574,026,063)				
- Bills payable	-	-	-	-	-	(11,671,333)	(11,671,333)	-	-	-	-
- Bills payable - Borrowings	-	-	-	-	-	(11,071,333)	(80,732,088)	-	-	-	-
- Sub - ordinated loans	_	-	_	_	-	(3,999,200)	(3,999,200)	_	_	_	_
- Other liabilities	_	-	_	_	-	(7,176,401)	(7,176,401)	_	_	_	_
						(677,605,085)	(677,605,085)				
	309.708.335		95,959,093	237,488,033	62,794,421	(677,605,085)	28,635,305	9,941,909	401,609,131		411,551,040
	308,700,333	290,008	30,303,093	237,400,033	02,/94,421	(077,000,080)	20,000,000	3,341,309	401,009,131		411,001,040



Bank AL Habib 25^{YEARS} SILVER UBILEE

					3	1 December 2015	(Audited)				
				Carrying amount					Fair v	alue	
	Available for sale	Held for trading	Held to maturity	Loans and receivables	Other financial assets (Rup	Other financial liabilities bees in '000)	Total	Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments Financial assets measured at fair value - Investments Federal Government Securities (TBills + PIBs + Sukuk Bonds + FC Bonds) Foreign Currency Bonds Fully paid-up ordinary shares - Listed Units of mutual funds	208,365,391 627,606 4,589,414 1,638,758	- - -	- - -		- - -	- - -	208,365,391 627,606 4,589,414 1,638,758	- 4,791,436 1,638,758	208,210,579 627,606 _ _	- - -	208,210,579 627,606 4,791,436 1,638,758
Term Finance Certificates - Listed	705,764	-	-	-	-	-	705,764	705,764	-	-	705,764
Financial assets not measured at fair value - Cash and bank balances with treasury banks - Balances with other banks - Lendings to financial institutions - Irvestments	- - -	- - -	- - -	- -	38,577,760 3,204,284 3,992,794	- - -	38,577,760 3,204,284 3,992,794	- - -	- - -	- - -	- - -
Federal Government Securities (TBills + PIBs + Sukuk Bonds + FC Bonds + TFC + Ot Foreign Currency Bonds Sukuk Bonds Fully paid-up ordinary shares - Un-listed	2,472,178 59,652	- - -	134,691,407 172,888 	- - -	- - -	- - -	136,655,693 	- - -	146,203,123 _ _ _	- - -	146,203,123 _ _ _ _
Term Finance Certificates - Un-listed Associates Listed shares Mutual funds Un-listed shares - Advances - Other assets	832,400 - - - - -			- - 207,288,807 -	- 396,615 306,171 84,236 - 13,144,091		832,400 396,615 306,171 84,236 207,288,807 13,144,091	- 357,876 306,171 - - -		- - - -	- 357,876 306,171 - - -
Financial liabilities not measured at fair value	221,255,449	-	134,864,295	207,288,807	59,705,951	-	623,114,502	7,800,005	355,041,308	-	362,841,313
Deposits and other accounts Deposits and other accounts Bills payable Dorrowings Sub-ordinated loans Other liabilities	- - - -	- - -	- - - -	- - - -	- - - -	(516,197,547) (8,665,462) (62,592,299) (2,994,600) (5,727,105)	(516,197,547) (8,665,462) (62,592,299) (2,994,600) (5,727,105)	- - -	- - -	- - - -	- - - -
	- 221,255,449	-	- 134,864,295	- 207,288,807	- 59,705,951	(596,177,013) (596,177,013)	(596,177,013) 26,937,489	7,800,005	- 355,041,308	-	- 362,841,313

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 liabilities, iter directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3: Fair value measurements using input for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).





22. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Nine mon	ths period end	ded 30 Septer	nber 2016 (Un	-audited)
	Retail Banking	Commercial Banking (Retail Brokerage Rupees in '000)	Inter Segment Elimination	Total
Total income Total expenses	18,585,404 (13,137,658)	33,194,081 (29,239,913)	39,900 (41,058)	(12,153,506) 12,153,506	39,665,879 (30,265,123)
Net income	5,447,746	3,954,168	(1,158)	-	9,400,756
Segment assets (net of provisions)	580,505,706	681,993,241	386,480	(537,019,587)	725,865,840
Segment non performing loans	96,888	5,710,904	_		5,807,792
Segment provision required	42,992	4,512,729	_		4,555,721
Segment liabilities	578,513,577	643,112,022	218,706	(537,019,587)	684,824,718
Segment return on assets (ROA) (%)*	3.20%	4.87%	10.32%		
Segment cost of funds (%)*	2.27%	4.55%	18.77%		

AL Habib Credit & Finance (Hong Kong) Limited has not commenced operations.

	Nine mo	onths period end	ded 30 Septer	mber 2015 (Un-	-audited)
	Retail	Commercial	Retail	Inter Segment	Total
	Banking	Banking	Brokerage	Elimination	
		(Rupees in '000)		
Total income	17,718,210	36,154,787	52,841	(12,780,568)	41,145,270
Total expenses	(13,578,944)	(31,314,527)	(47,150)	12,780,568	(32,160,053)
Net income	4,139,266	4,840,260	5,691	_	8,985,217
Segment assets (net of provisions)	461,885,278	621,589,702	357,302	(434,728,674)	649,103,608
Segment non performing loans	43,403	5,845,281	_	_	5,888,684
Segment provision required	38,468	5,108,970	-		5,147,438
Segment liabilities	460,376,178	586,725,200	186,909	(434,728,674)	612,559,613
Segment return on assets (ROA) (%)*	3.84%	5.82%	14.79%		
Segment cost of funds (%)*	2.95%	5.34%	25.23%		

These percentages have been computed based on closing assets / liabilities figures.

*





23. 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 of the Group 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 end balances outstanding as at the period / year end with related parties are summarised as follows:

		30 Septe	ember 2016 (Un-au	dited)	
	Associates	Non Executive Directors	Key Management Personnel (Rupees in '000)	Retirement Benefit Funds	Total
Deposits			(,		
At beginning of the period Placements during the period Withdrawals during the period	3,398,002 86,666,504 (85,907,195)	183,973 1,948,629 (1,830,272)	432,539 1,852,249 (1,658,114)	325,824 2,458,128 (2,155,098)	4,340,338 92,925,510 (91,550,679
At end of the period	4,157,311	302,330	626,674	628,854	5,715,169
Advances					
At beginning of the period Given during the period Repaid during the period	978,041 20,692,324 (20,315,613)	144 4,019 (2,688)	54,478 72,685 (61,681)	-	1,032,66 20,769,02 (20,379,98
At end of the period	1,354,752	1,475	65,482	-	1,421,70
Investments					
At beginning of the period Investments made during the period Investments redeemed during the period	787,022 	- -		-	787,02 _ 14,28
At end of the period	801,308				801.30
Contingencies and commitments	743,362	_			743,36
		31 De	ecember 2015 (Audi	ted)	
Deposits					
At beginning of the year Placements during the year Withdrawals during the year	3,037,277 157,951,585 (157,590,860)	185,609 2,932,874 (2,934,510)	401,895 2,817,436 (2,786,792)	49,441 2,922,398 (2,646,015)	3,674,22 166,624,29 (165,958,17
At end of the year	3,398,002	183,973	432,539	325,824	4,340,33
Advances					
At beginning of the year Given during the year Repaid during the year	1,517,483 22,453,719 (22,993,161)	294 2,790 (2,940)	52,960 72,596 (71,078)	-	1,570,73 22,529,10 (23,067,17
At end of the year	978,041	144	54,478	-	1,032,66
Investments					
At beginning of the year Investments made during the year	1,158,614 548,287	-	- -	- - -	1,158,61 548,28 (919,87
Investments redeemed during the year	(919,879)				
Investments redeemed during the year At end of the year	787,022				787,02



Bank AL Habib

	Associates	Non Executive Directors		Funds	Total
Forward purchase contracts	161,315	_	_	_	161,315
Other receivable	_	_	712	_	712
Other payable	-	-	8,116	-	8,116
Unrealised loss on forward contracts	2,233	-	_	-	2,233
Purchase of securities	-	-	-	-	-
Purchase of mutual funds	-	-	-	-	-
Sale of securities	25,243	_	-	615,758	
Redemption of mutual funds Gain on sale of securities & mutual funds	_	_	_	_	_
Mark-up earned	52,028	_	2,451	_	54,479
Mark-up expensed	137,807	10,480	21,088	25,105	194,480
Bank charges and commission	3,835	8	41		3,884
Salaries and allowances	-	-	287,760	-	287,760
Bonus	-	-	34,002	-	34,002
Contribution to defined contribution plan	-	-	11,447	-	11,447
Contribution to defined benefit plan		-	51,539	-	51,539
Staff provident fund	_	_	-	239,072	239,072
Staff gratuity fund Directors' fee	_	6,600	_	162,000	162,000 6,600
Insurance claim received	12,175	- 0,000	_	_	12,175
Insurance premium paid	132,053	_	_	_	132,053
Dividend income	41,792	-	_	-	41,792
Rental paid	<i>_</i>	-	-	-	_
Brokerage and advisory income	695	-	22	-	717
Donation	109,900	-	-	-	109,900
Other expensed Other income	5,104		-	-	5,104
	202 Nine mont		_ ded 30 Septembe	88 er 2015 (Un-au	290 udited)
Forward purchase contracts Other receivable	_	_	_	_	_
Other payable	_	_	_	_	_
Unrealised loss on forward contracts	_	_	_	_	_
Purchase of securities	1,713	_	_	-	1,713
Purchase of mutual funds	546,574	-	_	_	546,574
Sale of securities	8,023	-	-	36,936	44,959
Redemption of mutual funds	936,356	-	-	-	936,356
Gain on sale of securities & mutual funds		-	_	-	84,782
Mark-up earned	82,857	3	2,336	-	85,196
Mark-up expensed Bank charges and commission	128,616	11,180 9	22,632	3,481	165,909
Salaries and allowances	2,603	_ 9	696 243,254	_	3,308 243,254
Bonus	_	_	43,984	_	43,984
Contribution to defined contribution plan	_	_	11,277	_	11,277
Contribution to defined benefit plan	-	-	21,492	_	21,492
Staff provident fund	_	-	_	196,689	196,689
Staff gratuity fund	-	-	-	126,000	126,000
Directors' fee	_	5,675	-	-	5,675
Insurance claim received	11,681	-	-	-	11,681
Insurance premium paid	130,624	-	-	-	130,624
Dividend income Rental paid	70,740 1,538	_	-	_	70,740 1,538
	693	_	_	_	1,536
Brokerage and advisory income	030	-	-	-	
Brokerage and advisory income	100	_	_	_	100
Brokerage and advisory income Donation Other expensed	100 3,213	_	_	_	100 3,213



Bank AL Habib

24. ISLAMIC BANKING BUSINESS

24.1The Bank is operating 37 (31 December 2015: 29) Islamic Banking branches in Pakistan. The statement of financial position of these branches as at 30 September 2016 is as follows:

ASSETS	Note	(Un-audited) 30 September 2016 (Rupees	(Audited) 31 December 2015 s in '000)
Cash and balances with treasury banks Balances with and due from financial institutions Investments		1,449,826 1,673,794 8,090,531	882,606 744,861 5,594,911
Islamic financing and related assets Operating fixed assets Other assets	24.2	13,129,770 161,268 243,020	11,980,951 134,795 244,172
		24,748,209	19,582,296
LIABILITIES Bills payable Due to financial institutions Deposits and other accounts - Current accounts - Saving accounts - Term deposits - Others - Deposits from financial institutions-remunerative - Deposits from financial institutions-non-remuner Due to Head office Other liabilities NET ASSETS		72,087 1,687,928 18,856,513 6,703,703 5,698,658 5,041,369 66,859 1,345,211 713 311,432 1,561,063 (22,489,023) 2,259,186	8,452 2,734,239 14,718,557 4,797,701 3,675,740 5,152,092 71,726 1,019,316 1,982 1,490 427,968 (17,890,706) 1,691,590
REPRESENTED BY:			
Islamic banking fund Unremitted profit		2,200,000 60,672	1,500,000 180,290
(Deficit) / surplus on revaluation of assets		2,260,672 (1,486)	1,680,290 11,300
		2,259,186	1,691,590

			AL Hab
		(Un-audited) 30 September 2016	(Audited) 31 Decembe 2015
24.2	Islamic financing and related assets	(Rupees	in '000)
	Murabaha Net book value of assets / investments in ijarah under IFAS 2 Diminishing musharika Musawama Export refinance murabaha	2,104,673 1,321,469 5,494,490 646,313 –	2,850,625 695,688 3,639,528 274,033 32,351
	Export refinance istisna Istisna	1,998,167 618,821	2,491,638 568,922
	Gross financing Advance against murabaha Advance against ijarah	12,183,933 352,875 596,958	10,552,785 1,176,821 253,129
	Islamic financing and related assets - gross Less: general provisioning against consumer financing	13,133,766 (3,996)	11,982,735 (1,784
	Islamic financing and related assets - net of provision	13,129,770	11,980,951
24.3	Islamic mode of financing		
	Financings / inventory / receivables Advances Less: general provisioning against consumer financing	12,183,933 949,833 (3,996)	10,552,785 1,429,950 (1,784
		13,129,770	11,980,951
24.4	The profit and loss account of the Bank's Islamic Bankin	g branches for t	he nine mont
	period ended 30 September 2016 is as follows:	(Un-au) Nine months 30 September 2016 (Rupees	period ende
	Profit / return on financing and placements earned Profit / return on deposits and other dues expensed	954,859 (483,999)	878,801 (477,134
		470,860	401,667
	Provision against non-performing loans and advance		(532
	Net spread earned	468,648	401,135
	OTHER INCOME Fee, commission and brokerage income Dividend income Income from dealing in foreign currencies Other income	50,734 1,654 13,755 14,818	30,404
		80,961	48,330
	OTHER EXPENSES Administrative expenses	(488,937)	(296,611
		60,672	152,854
	PROFIT BEFORE TAXATION		

∑ Ban		25	YEARS SILVER UBILEE 1991-2016
		(Un-audited) 30 September 2016 (Bupees	(Audited) 31 Decembe 2015 in '000)
24.6	CHARITY FUND		
	Opening balance Additions during the period / year Payment / utilisation during the period / year	2,686 2,115	2,621 2,686
	Health Social welfare	_ (1,556)	(1,021 (1,600
		(1,556)	(2,621
	Closing balance	3,245	2,686
25.	GENERAL		
	 Islamic receivables carried in Other assets of Rs. 1,429.9. Advances. No other major reclassifications were made during the period 		en reclassified
25.2	Figures have been rounded off to the nearest thousand rupee	es unless, otherwis	e stated.
26.	DATE OF AUTHORISATION		
	These consolidated condensed interim financial statements w of Directors' meeting held on 20 October 2016.	ere authorised for i	ssue in the Boa
ALI	RAZA D. HABIB ABBAS D. HABIB SYED MAZHAF Chairman Chief Executive and Directo Managing Director		AR HAJI KARI <i>Director</i>