

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	31 March 2020	31 December 2019	
Note	----- (Rupees in '000) -----		
	(Un-Audited)	(Audited)	
ASSETS			
Cash and balances with treasury banks	6	13,398,284	26,319,937
Balances with other banks	7	6,222,290	2,850,550
Due from financial institutions	8	27,731,244	14,598,633
Investments	9	23,392,048	24,194,885
Islamic financing and related assets-net	10	76,175,446	75,443,712
Fixed assets	11	4,720,086	4,868,272
Intangible assets	12	1,437,907	1,477,210
Deferred tax assets	13	2,921,776	2,839,139
Other assets	14	9,190,127	9,389,888
		165,189,208	161,982,226
LIABILITIES			
Bills payable	15	3,667,814	3,223,721
Due to financial institutions	16	4,210,948	4,278,132
Deposits and other accounts	17	132,847,041	129,654,288
Subordinated debt	18	3,317,803	3,460,661
Deferred tax liabilities		-	-
Other liabilities	19	8,488,581	8,633,860
		152,532,187	149,250,662
NET ASSETS		12,657,021	12,731,564
REPRESENTED BY			
Share capital-net		14,500,490	14,500,490
Reserves		224,035	179,384
Surplus on revaluation of assets	20	887,670	1,185,540
Accumulated loss		(2,955,174)	(3,133,850)
		12,657,021	12,731,564
CONTINGENCIES AND COMMITMENTS	21		

The annexed notes from 1 to 37 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Chairman

Director

Director

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2020

	Note	Quarter ended	
		31 March 2020	31 March 2019
		----- (Rupees in '000) -----	
Profit / return earned on Islamic financing and related assets, investments and placements	22	4,050,422	2,542,219
Return on deposits and other dues expensed	23	(2,775,517)	(1,316,551)
Net spread earned		1,274,905	1,225,668
Other income			
Fee and commission income	24	187,725	203,049
Dividend income		3,800	5,487
Foreign exchange income		328,246	86,031
Gain on securities	25	136,541	23,749
Other income	26	27,006	1,657
Total other income		683,318	319,973
Total income		1,958,223	1,545,641
Other expenses			
Operating expenses	27	(1,366,266)	(1,246,361)
Workers' Welfare Fund		(7,594)	-
Other charges	28	(19,341)	(189)
Total other expenses		(1,393,201)	(1,246,550)
Profit before provisions		565,022	299,091
Provisions and write offs - net	29	(192,935)	(159,776)
Extra ordinary / unusual items		-	-
Profit before taxation		372,087	139,315
Taxation	30	(148,834)	(68,934)
Profit after taxation		223,253	70,381
		----- Rupee -----	
Profit per share - basic / diluted	31	0.16	0.05

The annexed notes from 1 to 37 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Chairman

Director

Director

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2020

	Quarter ended	
	31 March 2020	31 March 2019
	---- (Rupees in '000) ----	
Profit after taxation for the period	223,253	70,381
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of investments - net of tax	(297,796)	(75,694)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of non-banking assets - net of tax	(74)	(74)
Total comprehensive loss	(74,617)	(5,387)

The annexed notes from 1 to 37 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Chairman

Director

Director

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2020

	Share capital	Capital support fund	Discount on issue of shares	Statutory reserve*	Surplus / (Deficit) on revaluation of		Accumulated loss	Total
					Investments	Non Banking Assets		
(Rupees in '000)								
Balance as at 31 December 2018	13,739,628		(632,766)	159,348	20,385	332,827	(2,914,339)	10,705,083
Profit after taxation for the period	-		-	-	-	-	70,381	70,381
Other comprehensive loss - net of tax	-		-	-	(75,694)	-	-	(75,694)
Transfer to statutory reserve	-		-	14,076	-	-	(14,076)	-
Transfer from surplus on revaluation of assets to accumulated loss in respect of incremental depreciation charged during the period	-		-	-	-	(74)	74	-
Balance as at 31 March 2019	13,739,628		(632,766)	173,424	(55,309)	332,753	(2,857,960)	10,699,770
Loss after taxation for the current period	-		-	-	-	-	(262,067)	(262,067)
Other comprehensive income - net of tax	-		-	-	1,000,488	(92,171)	(8,084)	900,233
Transfer to statutory reserve	-		-	5,960	-	-	(5,960)	-
Transfer from surplus on revaluation of assets to accumulated loss in respect of incremental depreciation charged during the period	-		-	-	-	(221)	221	-
Received during the year	-	1,393,628	-	-	-	-	-	1,393,628
Balance as at 31 December 2019	13,739,628	1,393,628	(632,766)	179,384	945,179	240,361	(3,133,850)	12,731,564
Profit after taxation for the period	-	-	-	-	-	-	223,253	223,253
Other comprehensive loss - net of tax	-	-	-	-	(297,796)	-	-	(297,796)
Transfer to statutory reserve	-	-	-	44,651	-	-	(44,651)	-
Transfer from surplus on revaluation of assets to accumulated loss in respect of incremental depreciation charged during the period	-	-	-	-	-	(74)	74	-
Balance as at 31 March 2020	13,739,628	1,393,628	(632,766)	224,035	647,383	240,287	(2,955,174)	12,657,021

The annexed notes from 1 to 37 form an integral part of these condensed interim financial statements.

*The statutory reserve represents profit set aside as required under the Prudential Regulation for Bank as issued by the State Bank of Pakistan

Chief Executive Officer

Chief Financial Officer

Chairman

Director

Director

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2020

	Note	Quarter ended	
		31 March 2020	31 March 2019
---- (Rupees in '000) ----			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		372,087	139,315
Less: Dividend income		(3,800)	(5,487)
		<u>368,287</u>	<u>133,828</u>
Adjustments:			
Depreciation on fixed assets	27	15,267	43,464
Depreciation on right-of-use assets	27	165,746	-
Amortization	27	13,271	46,901
Depreciation - non banking assets	27	6,417	6,417
Provision and write-offs - net	29	192,935	159,776
Gain on sale of fixed assets - net	26	(25,957)	(1,269)
Finance charges on lease liability against right-of-use assets	23	57,696	-
Unrealized loss / (gain) on revaluation of investments classified as held for trading	25	7,548	(11,822)
Workers' Welfare Fund		7,594	-
		<u>440,517</u>	<u>243,467</u>
		<u>808,804</u>	<u>377,295</u>
(Increase) / decrease in operating assets			
Due from financial institutions		(13,132,611)	(1,729,581)
Held-for-trading securities - net		(349)	72,264
Islamic financing and related assets - net		(908,598)	1,021,552
Others assets (excluding advance taxation)		(191,080)	(1,244,774)
		<u>(14,232,638)</u>	<u>(1,880,539)</u>
Increase / (decrease) in operating liabilities			
Bills payable		444,093	149,250
Due to financial institutions		(67,184)	1,741,623
Deposits and other accounts		3,192,753	(1,891,304)
Other liabilities		307,563	696,686
		<u>3,877,225</u>	<u>696,255</u>
Income tax paid		(65,490)	(14,574)
Net cash used in operating activities		<u>(9,612,099)</u>	<u>(821,563)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		322,311	(2,303,929)
Net investments in held-to-maturities securities		-	(1,540,891)
Dividends received		400	1,628
Investments in fixed assets		(14,100)	(142,817)
Proceeds from sale of fixed assets		32,406	1,534
Net cash flow from / (used in) investing activities		<u>341,017</u>	<u>(3,984,475)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of Tier II mudaraba sukuk - first issue		(142,858)	(142,858)
Payment of lease liability against right-of-use assets		(135,973)	-
Net cash used in financing activities		<u>(278,831)</u>	<u>(142,858)</u>
Decrease in cash and cash equivalents			
		<u>(9,549,913)</u>	<u>(4,948,896)</u>
Cash and cash equivalents at beginning of the period		<u>29,170,487</u>	<u>15,788,970</u>
Cash and cash equivalents at end of the period		<u>19,620,574</u>	<u>10,840,074</u>

The annexed notes from 1 to 37 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Chairman

Director

Director

ALBARAKA BANK (PAKISTAN) LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2020

1. STATUS AND NATURE OF BUSINESS

- 1.1 AlBaraka Bank (Pakistan) Limited (the Bank) was incorporated in Pakistan on 20 December 2004 as a public limited company. The Bank was granted an Islamic Banking License BL(I)-01(07), issued by the Banking Policy and Regulations Department of the State Bank of Pakistan (SBP) on 18 January 2007. Subsequently, the Bank was also granted approval for commencement of business as a scheduled bank with effect from 13 February 2007. Upon merger of the Pakistan branches of AlBaraka Islamic Bank B.S.C. (c) with and into the Bank, fresh license no. BL(i)-01(2011) was issued by SBP on 12 March 2011, effective from close of business on 29 October 2010. The main objective of the Bank is to carry on Islamic banking business in Pakistan in accordance and in conformity with Shariah.

The Bank is a subsidiary of AlBaraka Islamic Bank B.S.C. (c) {parent bank} incorporated and domiciled in Bahrain and a member of AlBaraka Banking Group.

- 1.2 During the year 2016, the shareholders of the Bank in their extra ordinary general meeting held on 22 August 2016 have approved the merger of the Bank with Burj Bank Limited under a "Scheme of Amalgamation" (the Scheme). Further, SBP through its letter no. BPRD (R&P-02)/2016/24373 dated 14 October 2016, has also approved the scheme of amalgamation and granted sanction order for the amalgamation of Ex Burj Bank Limited with and into the Bank. As of the effective date of amalgamation, the entire undertaking of Ex Burj Bank Limited including all the properties, assets and liabilities and all the rights and obligations shall, without any further act, action or deed and notwithstanding the terms of any contract or other document or any rule of law, stands amalgamated with and vest in the Bank and as a consequence, Ex Burj Bank Limited stands amalgamated with and into the Bank.

The Bank's registered office is located at 162, Bangalore Town, Main Sharah-e-Faisal, Karachi. The Bank has 192 branches including 8 sub-branches (31 December 2019: 192 branches including 8 sub-branches) in Pakistan.

- 1.3 Based on the financial statements of the Bank for the year ended 31 December 2018, JCR-VIS has maintained the long-term rating at 'A+' and short-term rating at 'A1'. Pakistan Credit Rating Agency Limited (PACRA) has maintained the Bank's long-term rating at 'A' and short term rating at 'A1'.
- 1.4 As at 31 March 2020, the Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) stood at Rs.11.55 billion and 12.87 % respectively. In order to encourage banks to continue lending despite anticipated pressure on profits and credit risk, the SBP has relaxed the Capital Conversion Buffer (CCB) requirements by 1.5%.

2. BASIS OF PRESENTATION

These financial statements have been prepared in conformity with the format of financial statements prescribed by the SBP vide BSD Circular No. 05 dated 22 March 2019 and the requirements of International Accounting Standard 34, "Interim Financial Reporting".

2.1 STATEMENT OF COMPLIANCE

- 2.1.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

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

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

- 2.1.2 The condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current year.

The Bank has adopted the following standards and amendments to IFRSs which became effective for the current year:

Standard or Interpretation

- IFRIC 23 - Uncertainty over Income Tax Treatments
- IFRIC 15 - Revenue from contracts with customers
- IFRS 16 - Leases
- IAS 28 - Investment in Associates and Joint Ventures - Long Term Interests in Associates (Amendment)
- IAS 19 - Employee Benefits - Plan Amendments, Curtailment or Settlement (Amendment)

Annual Improvement to IFRS Standards 2015-2017 Cycle - the improvement address amendments to the following approved:

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement
- IAS 12 Income Taxes
- IAS 23 Borrowing Costs

The adoption of the above Standards / amendments and improvements to accounting standards did not have any effect on the Bank's financial statements.

3.2 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective.

The following IFRSs as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting period beginning on or after 01 January 2020:

Standard, interpretation or amendment	Effective date (annual periods beginning on or after)
- IAS 1 / IAS 8 - Definition of Material (Amendments)	January 01, 2020
- IFRS 3 - Definition of Business (Amendments)	January 01, 2020
- IFRS 14 - Regulatory Deferral Accounts	July 01, 2019
- IFRS 9 - Financial Instruments: Classification and Measurement	January 01, 2021
- International Accounting Standard Board (IASB) revised Conceptual Framework	January 01, 2020

With respect to the above amendment, IFRS 9 'Financial Instrument' the bank is currently evaluating the impact of the said standard. In addition to above standard, interpretation and amendment that are mandatory for accounting periods beginning on or after 01 January 2021 but are considered no to be relevant to the Bank's operations and therefore, are not detailed in these condensed interim financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards

- IFRS 1 – First time adoption of IFRSs
- IFRS 17 – Insurance Contracts

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of this condensed interim financial information is the same as that applied in the preparation of the financial statements for the year ended 31 December 2019.

5. 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 December 31, 2019 except for the following additional considerations due to the COVID - 19:

The COVID – 19 and the measures to reduce its spread has impacted the economy of Pakistan significantly. Regulators and governments across the globe have introduced various fiscal and economic stimulus measures to mitigate its impact.

The SBP has responded to the crisis and has introduced number of regulatory measures to support both banking industry and its customers in these testing times. These include monetary easing, reduction in capital conservation buffer by 100 basis points to 1.5 percent, allowing banks to defer borrowers' principal financing repayments by one year, relaxing regulatory criteria for restructured/rescheduled financing for borrowers who require relief of principal repayment exceeding one year and / or markup and relaxing debt burden ratio etc.

5.1 Liquidity management

In view of the relaxation granted by SBP for deferral of principal and profit and rescheduling of financing, there will be an impact on the maturity profile of the Bank. The Asset and Liability Committee (ALCO) of the Bank is continuously monitoring the liquidity position and is taking necessary precautionary measures where needed. The Bank is confident that the liquidity buffer currently maintained by the Bank is sufficient to cater any adverse movement in cash flow maturity profile.

		31 March 2020	31 December 2019
Note		---- (Rupees in '000) ---- (Un-Audited)	(Audited)
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		3,567,691	2,578,761
Foreign currencies		736,378	670,966
		4,304,069	3,249,727
With State Bank of Pakistan in			
Local currency current account	6.1	7,355,149	20,574,168
Foreign currency current account	6.1	50,498	4,411
Foreign currency deposit account	6.1	1,183,657	1,161,413
		8,589,304	21,739,992
With National Bank of Pakistan in			
Local currency current account		504,903	1,330,210
Local currency deposit account		8	8
		504,911	1,330,218
		13,398,284	26,319,937

6.1 These include local and foreign currency amount required to be maintained by the Bank with SBP. These accounts are non-remunerative in nature.

		31 March 2020	31 December 2019
Note		---- (Rupees in '000) ---- (Un-Audited)	(Audited)
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current account		34,780	19,499
In deposit account	7.1	50,394	63,583
		85,174	83,082
Outside Pakistan			
In current account		4,585,826	1,623,099
In deposit account	7.1	1,551,290	1,144,369
		6,137,116	2,767,468
		6,222,290	2,850,550

7.1 The expected return on remunerative deposits ranges from 1.60% to 11.60% (31 December 2019: 3% to 8.50%) per annum.

		31 March 2020	31 December 2019
Note		---- (Rupees in '000) ---- (Un-Audited)	(Audited)
8. DUE FROM FINANCIAL INSTITUTIONS			
Bai Muajjal receivable			
- from Scheduled banks	8.1	23,781,244	12,895,309
Call money lendings			
	8.2	3,950,000	1,703,324
		27,731,244	14,598,633

8.1 The return on bai muajjal ranges from 10.25% to 13.25% (31 December 2019: 12.5% to 13.5%) per annum. These will mature by August 2020.

8.2 The expected return on these placements ranges from 5.5% to 10% (31 December 2019: 1.3% to 1.5%) per annum. These will mature by April 2020.

9. INVESTMENTS

Note	31 March 2020 (Un-Audited)				31 December 2019 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
----- (Rupees in '000) -----								
9.1 Investments by type								
Held-for-trading securities								
Shares	50,960	-	(26,567)	24,393	50,611	-	(19,019)	31,592
Available-for-sale securities								
Federal Government securities	13,605,532	-	1,166,255	14,771,787	14,059,230	-	1,378,642	15,437,872
Shares	1,083,144	(579,253)	(77,331)	426,560	1,117,203	(564,074)	57,829	610,958
Non Government debt securities	1,424,630	(111,455)	4,132	1,317,307	1,458,805	(111,455)	1,243	1,348,593
Foreign securities	2,830,558	-	(97,083)	2,733,475	2,630,937	-	16,407	2,647,344
	18,943,864	(690,708)	995,973	19,249,129	19,266,175	(675,529)	1,454,121	20,044,767
Held-to-maturity securities								
Federal Government securities	4,118,526	-	-	4,118,526	4,118,526	-	-	4,118,526
Total investments	23,113,350	(690,708)	969,406	23,392,048	23,435,312	(675,529)	1,435,102	24,194,885

Note	31 March 2020 (Un-Audited)				31 December 2019 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
----- (Rupees in '000) -----								
9.2 Investments by segments								
Federal Government Securities:								
Ijarah sukuk	2,056,005	-	164	2,056,169	2,055,933	-	(20,333)	2,035,600
Bai muajjal	4,118,526	-	-	4,118,526	4,118,526	-	-	4,118,526
Other sukuk	11,549,527	-	1,166,091	12,715,618	12,003,297	-	1,398,975	13,402,272
	17,724,058	-	1,166,255	18,890,313	18,177,756	-	1,378,642	19,556,398
Shares:								
Listed companies	1,077,076	(553,099)	(103,898)	420,079	1,111,130	(537,920)	38,810	612,020
Unlisted companies	57,028	(26,154)	-	30,874	56,684	(26,154)	-	30,530
	1,134,104	(579,253)	(103,898)	450,953	1,167,814	(564,074)	38,810	642,550
Non Government Debt Securities								
Unlisted	1,424,630	(111,455)	4,132	1,317,307	1,458,805	(111,455)	1,243	1,348,593
Foreign Securities								
Government securities	500,849	-	(59,471)	441,378	465,269	-	6,044	471,313
Non Government debt securities	2,329,709	-	(37,612)	2,292,097	2,165,668	-	10,363	2,176,031
	2,830,558	-	(97,083)	2,733,475	2,630,937	-	16,407	2,647,344
Total investments	23,113,350	(690,708)	969,406	23,392,048	23,435,312	(675,529)	1,435,102	24,194,885

	31 March 2020 (Un-Audited)	31 December 2019 (Audited)
----- (Rupees in '000) -----		
9.3 Provision for diminution in value of investments		
9.3.1 Opening balance	675,529	573,850
Charge / reversals		
Charge for the quarter / year	29,619	265,402
Reversal on disposals	(14,440)	(163,723)
	15,179	101,679
Closing balance	690,708	675,529

9.3.2 The COVID 19 pandemic created a challenging economic and business situation across globe including Pakistan. This anticipated slowdown in business activity has affected the Index of Pakistan Stock Exchange as well. As of 31 March 2020 mark to mark impairment loss amounts to Rs 118,476 million. SBP vide its letter BPRD circular letter 13 of 2020 dated 26 March 2020 has allowed the recognition of this impairment loss in phase manner by 31 December 2020. In line with the aforementioned relaxation granted by SBP, the Bank is required to book 25% of impairment loss which amounts to Rs 29,619 million and the same has been booked in these condensed interim financial statements.

	31 March 2020		31 December 2019	
	Non-performing investment	Provision	Non-performing investment	Provision
	----- (Rupees in '000) -----			
	(Un-Audited)		(Audited)	
Domestic	-	-	-	-
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	111,455	(111,455)	111,455	(111,455)
	111,455	(111,455)	111,455	(111,455)

9.3.3 Particulars of provision against debt securities

Category of classification

Domestic

Other assets especially mentioned

Substandard

Doubtful

Loss

10. ISLAMIC FINANCING AND RELATED ASSETS

Note	Performing		Non Performing		Total	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	----- (Rupees in '000) -----					
- Murabaha financing	3,510,018	4,138,643	2,808,374	2,822,420	6,318,392	6,961,063
- Advance against murabaha financing	783,442	785,549	203,337	203,337	986,779	988,886
- Export refinance under Islamic scheme	180,000	330,000	87,505	87,505	267,505	417,505
- Advance against export refinance under Islamic scheme	4,525,648	3,935,032	-	-	4,525,648	3,935,032
- Ijarah assets	170,216	299,515	627,999	626,377	798,215	925,892
- Diminishing musharaka financing	33,594,782	34,759,893	2,026,736	1,661,855	35,621,518	36,421,748
- Advance against diminishing musharaka finance	537,425	393,811	-	-	537,425	393,811
- Running musharaka	313,740	316,954	-	-	313,740	316,954
- Tijarah finance	1,846,447	1,758,076	-	-	1,846,447	1,758,076
- Over due acceptances	641,872	155,935	486,750	492,925	1,128,622	648,860
- Payment against guarantee	15,081	14,581	47,215	47,715	62,296	62,296
- Payment against documents	86,541	142,434	-	-	86,541	142,434
- Advance against salam	11,558,964	12,120,902	2,234,585	2,201,301	13,793,549	14,322,203
- Salam inventory	7,500	-	-	-	7,500	-
- Financing against bills	1,529,996	611,179	13,735	13,735	1,543,731	624,914
- Istasna finance	-	16,600	576,271	576,271	576,271	592,871
- Advance against istasna	11,116,205	11,437,663	708,673	495,365	11,824,878	11,933,028
- Istasna inventory	1,844,679	731,926	-	-	1,844,679	731,926
- Qarz-e-Hasna	92,479	91,302	22,675	21,475	115,154	112,777
- Rahnuma travel services	-	-	32	48	32	48
Islamic financing and related assets - gross	72,355,035	72,039,995	9,843,887	9,250,329	82,198,922	81,290,324
Provisions for non-performing financing						
- Specific	10.3	-	(5,851,771)	(5,676,672)	(5,851,771)	(5,676,672)
- General	10.3	(171,705)	(169,940)	-	(171,705)	(169,940)
		(171,705)	(5,851,771)	(5,676,672)	(6,023,476)	(5,846,612)
Islamic financing and related assets - net of provisions		72,183,330	3,992,116	3,573,657	76,175,446	75,443,712

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

10.1 Particulars of Islamic financing and related assets (Gross)

In local currency

In foreign currency

79,696,576	80,439,286
2,502,346	851,038
82,198,922	81,290,324

10.2 Islamic financing and related assets include Rs.9,843.887 (31 December 2019: Rs.9,250.329) million which have been placed under non-performing status as detailed below:

Category of Classification	31 March 2020 (Un-Audited)		31 December 2019 (Audited)	
	Classified Islamic financing and related assets	Provision	Classified Islamic financing and related assets	Provision
	----- (Rupees in '000) -----			
Domestic				
Other assets especially mentioned	263,761	-	24,856	-
Substandard	1,110,959	139,250	974,448	81,338
Doubtful	1,471,688	123,312	1,642,187	203,142
Loss	6,997,479	5,589,209	6,608,838	5,392,192
	9,843,887	5,851,771	9,250,329	5,676,672

10.3 Particulars of provisions against non-performing Islamic financing and related assets

	31 March 2020 (Un-Audited)			31 December 2019 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	5,676,672	169,940	5,846,612	4,614,044	145,978	4,760,022
Charge for the quarter / year	211,318	1,765	213,083	1,321,476	23,962	1,345,438
Reversals for the quarter / year	(36,929)	-	(36,929)	(259,226)	-	(259,226)
	174,389	1,765	176,154	1,062,250	23,962	1,086,212
Amounts charged off / reversed - agriculture financing	710	-	710	469	-	469
	175,099	1,765	176,864	1,062,719	23,962	1,086,681
Amounts written off against provision	-	-	-	(91)	-	(91)
Closing balance	5,851,771	171,705	6,023,476	5,676,672	169,940	5,846,612

10.3.1 The above provision against non-performing financing has been computed after considering allowable forced sale value (FSV) of collateral amounting to Rs. 3,272.744 (31 December 2019: Rs. 3,063.979) million. The FSV benefit recognized is not allowed for distribution of cash or stock dividend to shareholders and bonus to employees.

10.3.2 The Bank maintains general reserve (provisions) in accordance with the applicable requirements of Prudential Regulations for consumer financing.

10.3.3 The SBP vide BPRD circular letter 13 of 2020 dated 26 March 2020, has relaxed certain classification criteria of SBP Prudential Regulation R-8 (Classification and Provisioning of Assets). Accordingly, certain exposures as at 31 March 2020 relating to facilities of customers have not been classified as non-performing on account of such relaxation.

11. FIXED ASSETS	Note	31 March 2020	31 December 2019
		(Un-Audited)	(Audited)
Capital work-in-progress	11.1	348,657	360,547
Property and equipment		2,054,849	2,067,120
Right-of-use asset		2,316,580	2,440,605
		4,720,086	4,868,272
11.1 Capital work-in-progress			
Civil works		343,630	345,377
Advance to suppliers		5,027	15,170
Advance for purchase of property - related party		251,680	251,680
Provisions for impairment against advance for purchase of property		(251,680)	(251,680)
		-	-
Total capital work-in-progress		348,657	360,547

	31 March 2020	31 March 2019
	----- (Rupees in '000) ----- (Un-Audited)	
11.2 Additions to fixed assets		
The following additions have been made to fixed assets during the quarter:		
Capital work-in-progress	3,679	72,796
Property and equipment		
Building on leasehold land	4,562	30,871
Furniture and fixture	447	1,987
Electrical office and computer equipment	11,346	19,059
Vehicles	22,998	-
	39,353	51,917
Total	43,032	124,713

11.3 Disposal of fixed assets

The net book value of fixed assets disposed off during the quarter is as follows:

Leasehold improvements	2,102	-
Furniture and fixture	335	151
Electrical office and computer equipment	780	113
Vehicles	3,231	-
Total	6,448	264

12 INTANGIBLE ASSETS

	31 March 2020	31 December 2019
	----- (Rupees in '000) ----- (Un-Audited) (Audited)	
Computer software	87,890	101,161
Advance to suppliers against computer software	16,274	9,306
Core deposits	554,481	587,481
Brand	383,145	383,145
Goodwill	396,117	396,117
	1,437,907	1,477,210

12.1 Additions to intangible assets

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

	31 March 2020	31 March 2019
	----- (Rupees in '000) -----	
Capital work-in-progress	6,967	24,138
Directly purchased	-	43,547
	6,967	67,685

	31 March 2020 ---- (Rupees in '000) ---- (Un-Audited)	31 December 2019 (Audited)
13. DEFERRED TAX ASSETS		
Deductible Temporary Differences on:		
- Tax losses carried forward	1,765,193	1,755,044
- Minimum tax	674,640	603,522
- Post retirement employee benefits	13,895	13,895
- Provision against assets	1,095,070	1,251,913
	3,548,798	3,624,374
Taxable Temporary Differences on:		
- Surplus on revaluation of investments	(339,292)	(502,287)
- Surplus on revaluation of non-banking assets - net of tax effect of incremental depreciation transferred to retained earning	(129,939)	(129,939)
- Accelerated tax depreciation	(157,791)	(153,009)
	(627,022)	(785,235)
	2,921,776	2,839,139
14. OTHER ASSETS		
Profit / return accrued in local currency	3,864,270	3,620,174
Profit / return accrued in foreign currency	36,358	17,377
Advances, deposits, advance rent and other prepayments	486,419	379,405
Advance taxation (payments less provisions)	225,578	231,207
Receivable in respect of defined benefit plan	23,351	23,351
Receivable against sale of shares	-	58,839
Non-banking assets acquired in satisfaction of claims	1,521,463	1,527,768
Branch adjustment account	-	126,800
Unrealised gain on re-measurement of forward exchange contracts	87,702	10,156
Stamps and stationery	4,514	4,646
Acceptances	2,420,947	2,899,069
Others	295,993	267,451
	8,966,595	9,166,243
Less: Provision held against other assets	(146,140)	(146,140)
Other assets (net of provision)	8,820,455	9,020,103
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	369,672	369,785
Other assets - total	9,190,127	9,389,888
	31 March 2020 ---- (Rupees in '000) ---- (Un-Audited)	31 December 2019 (Audited)
14.2 Provision held against other assets		
Non-performing receivables	145,894	145,894
Others	246	246
	146,140	146,140
15. BILLS PAYABLE		
In Pakistan	3,667,814	3,223,721
Outside Pakistan	-	-
	3,667,814	3,223,721
16. DUE TO FINANCIAL INSTITUTIONS		
Secured		
Borrowings from State Bank of Pakistan		
Under export refinance scheme	4,210,948	4,278,132
	4,210,948	4,278,132

16.1 The range of profit rates on these borrowings is 1% to 2% (31 December 2019: 1% to 2%) per annum. The maximum limit approved by SBP to the Bank under Islamic Export Refinance Scheme is Rs.5.61 (31 December 2019: Rs.4.65) billion. The above contracts will mature starting from 07 April 2020 to 15 September 2020.

17. DEPOSITS AND OTHER ACCOUNTS

	31 March 2020 (Un-Audited)			31 December 2019 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits	23,363,452	4,471,128	27,834,580	21,674,643	4,804,672	26,479,315
Savings deposits	48,282,378	4,472,856	52,755,234	47,273,774	4,567,469	51,841,243
Term deposits	40,981,125	1,911,957	42,893,082	42,002,296	1,938,320	43,940,616
Others	1,253,833	-	1,253,833	1,342,347	-	1,342,347
	113,880,788	10,855,941	124,736,729	112,293,060	11,310,461	123,603,521
Financial Institutions						
Current deposits	157,464	71,434	228,898	24,097	1,342	25,439
Savings deposits	6,668,102	762	6,668,864	4,860,569	709	4,861,278
Term deposits	1,212,550	-	1,212,550	1,164,050	-	1,164,050
	8,038,116	72,196	8,110,312	6,048,716	2,051	6,050,767
	121,918,904	10,928,137	132,847,041	118,341,776	11,312,512	129,654,288

18. SUBORDINATED DEBT

	Note	31 March 2020 ---- (Rupees in '000) ---- (Un-Audited)	31 December 2019 (Audited)
Tier II mudaraba sukuk - first issue	18.1	428,562	571,420
Tier II mudaraba sukuk - second issue	18.2	1,500,000	1,500,000
Additional Tier I capital	18.3	1,389,241	1,389,241
		3,317,803	3,460,661

18.1 In September 2014, the Bank issued regulatory shariah compliant unsecured, subordinated privately placed Tier-II sukuk (first issue) based on mudaraba of Rs.2 billion as instruments of redeemable capital under section 66 of the Companies Act, 2017. A brief description of Tier-II sukuk (first issue) is as follows:

Credit rating	A- by PACRA (The Pakistan Credit Rating Agency Limited)
Issue date	26 September 2014
Tenor	7 years from the issue date
Profit payment frequency	Semi-annually in arrears
Redemption	Semi-annually
Expected periodic profit amount (mudaraba profit amount)	Mudaraba Profit is computed under the General Depositors' Pool on the basis of Profit Sharing Ratio (PSR) and monthly weightages announced by the Bank. Profit rate is 6 Month KIBOR + 1.25% per annum.
Call option	The Bank may call Tier-II Sukuk with prior approval of SBP after completion of five years from the date of issue.
Loss absorbency	The Tier-II sukuk, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a Point of Non-Viability (PONV) trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-clause	Profit and/or redemption amount can be held back in respect of the Tier-II sukuk, if such payment will result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) requirement.

18.2 In August 2017; the Bank issued regulatory shariah compliant unsecured, subordinated privately placed Tier-II sukuk (second issue) based on mudaraba of Rs.1.5 billion as instruments of redeemable capital under section 66 of the Companies Act, 2017. A brief description of Tier-II sukuk (second issue) is as follows:

Credit rating	A by JCR-VIS Credit Rating Company Limited.
Issue date	22 August 2017
Tenor	7 years from the issue date.
Profit payment frequency	Semi-annually in arrears
Redemption	Bullet payment at the end of the seventh year.
Expected periodic profit amount (mudaraba profit amount)	Mudaraba profit is computed under the General Depositors' Pool on the basis of Profit Sharing Ratio (PSR) and monthly weightages announced by the Bank. Profit rate is 6 Months KIBOR + 0.75% per annum.
Call option	The Bank may call Tier-II sukuk with prior approval of SBP after completion of five years from the date of issue.
Loss absorbency	The Tier-II sukuk, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a Point of Non-Viability (PONV) trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-clause	Profit amount can be held back in respect of the Tier-II sukuk, if such payment will result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) requirement.

18.3 In December 2018, the Bank issued regulatory shariah compliant unsecured, subordinated privately placed additional Tier-I (ADT-1) capital based on modaraba of Rs.1.389 Billion . A brief description of additional Tier-I (ADT-1) Capital is as follows:

Credit rating	Not rated
Issue date	26 December 2018
Tenor	Perpetual
Profit payment frequency	Monthly
Redemption	Perpetual
Expected periodic profit amount (mudaraba profit amount)	Mudaraba profit is computed under the General Depositors' Pool on the basis of Profit Sharing Ratio (PSR) and monthly weightages announced by the Bank. Profit rate is 1 Year KIBOR + 2.50% per annum.
Call option	The Bank may call Tier-II sukuk with prior approval of SBP after completion of five years from the date of issue.
Loss absorbency	The ADT-1 capital, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a Point of Non-Viability (PONV) trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-clause	Profit and/or redemption amount can be held back in respect of the ADT-1 capital, if such payment will result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) requirement.

19. OTHER LIABILITIES

Return on deposits and borrowings:

- payable in local currency
- payable in foreign currencies

Accrued expenses

Advance payments

Charity fund balance

Security deposits against ijarah

Branch adjustment account

Payable against purchase of listed shares

Takaful payable against ijarah and diminishing musharakah assets

Acceptances

Lease liability against right-of-use assets

Others

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

1,423,651	1,225,143
12,183	9,420
479,048	369,762
392,137	415,437
52,207	46,351
473,114	527,296
229,142	-
2,913	5,738
288,033	293,699
2,420,947	2,899,069
2,231,157	2,309,434
484,049	532,511
8,488,581	8,633,860

31 March 2020 31 December 2019

Note ----- (Rupees in '000) -----
(Un-Audited) (Audited)

20. SURPLUS ON REVALUATION OF ASSETS

Surplus on revaluation of:

- Available for sale securities
- Non-banking assets acquired in satisfaction of claims

9.1	995,973	1,454,121
14	369,672	369,785
	1,365,645	1,823,906

Deferred tax on surplus on revaluation of:

- Available for sale securities
- Non-banking assets acquired in satisfaction of claims

	(348,590)	(508,942)
	(129,385)	(129,424)
	(477,975)	(638,366)
	887,670	1,185,540

21. CONTINGENCIES AND COMMITMENTS

- Guarantees
- Commitments

21.1	6,903,978	8,233,993
21.2	40,428,612	34,171,299
	47,332,590	42,405,292

21.1 Guarantees:

- Financial guarantees
- Performance guarantees
- Other guarantees

	4,529	9,125
	5,070,336	6,244,836
	1,829,113	1,980,032
	6,903,978	8,233,993

21.2 Commitments:

- Documentary credits and short-term trade-related transactions
- letters of credit

6,654,816 7,402,115

- Commitments in respect of forward foreign exchange contracts

21.2.1 **33,770,993** 26,763,463

- Commitments for acquisition of operating fixed assets

2,803 5,721

	40,428,612	34,171,299
--	-------------------	------------

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

21.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	15,686,254	14,154,378
Sale	18,084,739	12,609,085
	33,770,993	26,763,463

21.3 Other Contingencies

21.3.1 There is no change in the status of contingencies disclosed in note 21.3.1 and 21.3.2 to the financial statements for the year ended 31 December 2019.

	Quarter ended	
	31 March 2020	31 March 2019
Note	---- (Rupees in '000) ----	

22 PROFIT / RETURN EARNED ON ISLAMIC FINANCING AND RELATED ASSETS, INVESTMENTS AND PLACEMENTS

On:

- Islamic financing and related assets	2,601,394	1,983,096
- Investments	653,807	471,048
- Due from financial institutions	794,190	87,605
- Balances with banks	1,031	470
	4,050,422	2,542,219

23 RETURN ON DEPOSITS AND OTHER DUES EXPENSED

On:

-Deposits	2,530,912	1,123,970
-Borrowings	5,806	41,088
-Conversion cost against foreign currency deposits / borrowings	28,971	28,136
-Subordinated debt	130,718	104,742
-Finance charge on lease liability against right-of-use assets	57,696	-
-Export refinance under Islamic scheme	21,414	18,615
	2,775,517	1,316,551

24 FEE & COMMISSION INCOME

Branch banking customer fees	26,812	29,889
Consumer finance related fees	24,720	24,300
Debit card related fees and income	17,539	16,781
Investment banking fees	26,582	33,984
Commission on trade	62,955	56,215
Commission on guarantees	12,041	22,200
Commission on cash management	1,229	361
Commission on remittances including home remittances	5,965	2,323
Commission on bancatakaful	3,738	9,578
Others	6,144	7,418
	187,725	203,049

25 GAIN ON SECURITIES

Realised	25.1	144,089	11,927
Unrealised - held for trading		(7,548)	11,822
		136,541	23,749

		Quarter ended	
		31 March 2020	31 March 2019
Note		----- (Rupees in '000) -----	
25.1	Realised gain / (loss) on:		
	Federal Government securities	148,645	(672)
	Shares	(4,556)	12,599
		<u>144,089</u>	<u>11,927</u>
26	OTHER INCOME		
	Rent on property	1,049	388
	Gain on sale of fixed assets-net	25,957	1,269
		<u>27,006</u>	<u>1,657</u>
27	OPERATING EXPENSES		
	Compensation expense		
	Salaries, allowances, etc.	547,378	486,682
	Charge for defined benefit / contribution plan and other benefits	38,715	33,748
		<u>586,093</u>	<u>520,430</u>
	Property expense		
	Rent and taxes	17,753	175,534
	Insurance	14,355	10,227
	Utilities cost	40,203	35,046
	Security (including guards)	59,553	49,762
	Repair and maintenance (including janitorial charges)	20,869	21,893
	Depreciation on fixed assets	15,267	16,560
	Depreciation on right-of-use assets	165,746	-
	Depreciation - non banking assets	6,417	6,417
	Others	1,900	1,887
		<u>342,063</u>	<u>317,326</u>
	Information technology expenses		
	Software maintenance	43,826	34,574
	Hardware maintenance	15,250	15,484
	Depreciation on fixed assets	6,811	3,759
	Amortisation	13,271	14,113
	Network charges	18,909	16,101
	Others	12,747	9,240
		<u>110,814</u>	<u>93,271</u>
	Other operating expenses		
	Directors' fees and allowances	12,500	13,954
	Fees and allowances to Shariah Board	1,333	1,056
	Legal and professional charges	21,383	25,590
	Outsourced services costs	43,557	35,927
	Travelling and conveyance	8,230	7,150
	NIFT clearing charges	4,171	3,316
	Depreciation on fixed assets	22,256	23,145
	Amortization	32,999	32,788
	Takaful and registration expenses	9,525	16,576
	Training and development	2,216	5,069
	Postage and courier charges	5,606	4,445
	Communication	13,295	10,291
	Stationery and printing	23,619	19,395
	Marketing, advertisement and publicity	12,119	9,935
	Repair and maintenance	10,101	11,101
	Auditors' remuneration	3,195	3,000
	Depositor's protection	26,438	22,589
	Brokerage, commission and bank charges	59,598	51,152
	Others	15,155	18,855
		<u>327,296</u>	<u>315,334</u>
		<u>1,366,266</u>	<u>1,246,361</u>

27.1 These amounts include outsourcing services with regards to janitorial services, security services, contractual employees over third party contracts and printing activities.

		Quarter ended	
		31 March 2020	31 March 2019
		----- (Rupees in '000) -----	
28	OTHER CHARGES	Note	
	Penalties imposed by State Bank of Pakistan		189
		<u>19,341</u>	<u>189</u>
29	PROVISIONS AND WRITE OFFS - NET		
	Provisions for diminution in value of investments	9.3.1	38,063
	Provision / reversal against non-performing Islamic financing and related assets	10.3	121,713
	Write offs		-
	Fixed assets written off		-
		<u>857</u>	<u>-</u>
		<u>192,935</u>	<u>159,776</u>
30	TAXATION		
	Current		(35,278)
	Deferred		(33,656)
		<u>(71,119)</u>	<u>(77,715)</u>
		<u>(148,834)</u>	<u>(68,934)</u>
31	BASIC / DILUTED PROFIT PER SHARE		
	Profit after taxation for the quarter		70,381
		<u>223,253</u>	<u>70,381</u>
--- Number of shares ---			
	Weighted average number of ordinary shares		1,373,962,760
		<u>1,373,962,760</u>	<u>1,373,962,760</u>
	Basic / diluted profit per share - Rupee		0.05
		<u>0.16</u>	<u>0.05</u>
32	FAIR VALUE MEASUREMENTS		

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

The fair value of traded investments is based on quoted market prices, except for tradable securities classified by the Bank as 'held to maturity'. These securities are carried at amortized cost in order to comply with the requirements of BSD Circular No. 14 dated 24 September 2004.

Fair value of unquoted equity investments is determined on the basis of break up value of these investments as per the latest available financial statements.

Fair value of Islamic financing and related assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of Islamic financing has been calculated in accordance with the Bank's accounting policy.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short term in nature or in the case of customer Islamic financing and deposits are frequently repriced.

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

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

32.1 Fair value of financial assets

The following table provides the fair value measurement hierarchy of the Bank's assets:

	31 March 2020 (Un-Audited)			Total
	Level 1	Level 2	Level 3	
	----- (Rupees in '000) -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	18,890,313	-	18,890,313
Shares	420,079	-	-	420,079
Foreign Securities	2,733,475	-	-	2,733,475
	<u>3,153,554</u>	<u>18,890,313</u>	<u>-</u>	<u>22,043,867</u>
Financial assets - disclosed but not measured at fair value				
Cash and balances with treasury banks	-	-	-	13,398,284
Balances with other banks	-	-	-	6,222,290
Due from financial institutions	-	-	-	27,731,244
Investments	-	-	-	1,348,181
Islamic financing and related assets	-	-	-	76,175,446
Other assets	-	-	-	6,628,085
	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,503,530</u>
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	15,686,254	-	15,686,254
Forward sale of foreign exchange	-	18,084,739	-	18,084,739
	<u>-</u>	<u>18,084,739</u>	<u>-</u>	<u>18,084,739</u>
31 December 2019 (Audited)				
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	19,556,398	-	19,556,398
Shares	612,020	-	-	612,020
Foreign Securities	2,647,344	-	-	2,647,344
	<u>3,259,364</u>	<u>19,556,398</u>	<u>-</u>	<u>22,815,762</u>
Financial assets - disclosed but not measured at fair value				
Cash and balances with treasury banks	-	-	-	26,319,937
Balances with other banks	-	-	-	2,850,550
Due from financial institutions	-	-	-	14,598,633
Investments	-	-	-	1,379,123
Islamic financing and related assets	-	-	-	75,443,712
Other assets	-	-	-	6,786,786
	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,378,741</u>
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	14,154,378	-	14,154,378
Forward sale of foreign exchange	-	12,609,085	-	12,609,085
	<u>-</u>	<u>12,609,085</u>	<u>-</u>	<u>12,609,085</u>

There were no transfer between level 2 and level 3 during the period.

32.2 Fair value of non-financial assets

	31 March 2020 (Un-Audited)			Total
	Level 1	Level 2	Level 3	
	----- (Rupees in '000) -----			
Non banking assets acquired in satisfaction of claims	-	-	1,997,402	1,997,402
	<u>-</u>	<u>-</u>	<u>1,997,402</u>	<u>1,997,402</u>
31 December 2019 (Audited)				
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Non banking assets acquired in satisfaction of claims	-	-	1,997,402	1,997,402
	<u>-</u>	<u>-</u>	<u>1,997,402</u>	<u>1,997,402</u>

32.3 Valuation techniques used in determination of fair values within level 2 and level 3

Particulars	Valuation approach and input used
Federal government securities	The fair value of federal government securities are determined on the basis of rates / prices sourced from Reuters.
Non-government debt securities	Investment in non-Government debt securities denominated in local currency are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP), Investment in non-Government debt securities denominated in other currencies are valued on the basis of rates taken from bloomberg / Reuters.
Foreign Government Debt Securities	The fair value of overseas Government securities are denominated on the basis of rates taken from bloomberg / Reuters.
Forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by State Bank of Pakistan.
Non banking assets acquired in satisfaction of claims - Gross	Non banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets.

33 SEGMENT INFORMATION

33.1 Segment Details with respect to Business Activities

	31 March 2020 (Un-Audited)					
	Corporate Banking	Commercial & SME Banking	Retail & consumer Banking	Trading & Sales	Others	Total
	(Rupees in '000)					
Profit and Loss						
Net profit / return earned	1,406,747	(31,510)	(1,144,592)	1,244,427	(200,167)	1,274,905
Inter segment revenue - net	-	-	2,383,828	-	404,050	2,787,878
Other income	71,428	30,584	81,565	478,783	20,958	683,318
Total Income	1,478,175	(926)	1,320,801	1,723,210	224,841	4,746,101
Segment direct expenses	(54,812)	(236,878)	(1,055,071)	(19,500)	(26,940)	(1,393,201)
Inter segment expense allocation	(1,454,076)	410,283	-	(1,744,085)	-	(2,787,878)
Total expenses	(1,508,888)	173,405	(1,055,071)	(1,763,585)	(26,940)	(4,181,079)
Provisions	(34,921)	(117,667)	(24,053)	(15,179)	(1,115)	(192,935)
Profit / (loss) before tax	(65,634)	54,812	241,677	(55,554)	196,786	372,087
	31 March 2020 (Un-Audited)					
	Corporate Banking	Commercial & SME Banking	Retail & consumer Banking	Trading & Sales	Others	Total
	(Rupees in '000)					
Statement of Financial Position						
Cash and balances with treasury banks	-	-	4,304,069	9,094,215.00	-	13,398,284
Balances with other banks	-	-	-	6,222,290	-	6,222,290
Due from financial institutions	-	-	-	27,731,244	-	27,731,244
Investments	4,575,487	-	-	18,816,561	-	23,392,048
Net inter segment lending	-	19,265,586	98,117,944	-	7,968,238	125,351,768
Islamic financing and related assets - performing	43,269,050	11,388,559	16,062,932	-	1,462,789	72,183,330
- non-performing	1,891,660	1,726,971	320,926	-	52,559	3,992,116
Others	3,909,438	702,025	603,891	1,408,113	11,646,429	18,269,896
Total assets	53,645,635	33,083,141	119,409,762	63,272,423	21,130,015	290,540,976
Bills payable	-	-	3,667,814	-	-	3,667,814
Due to financial institutions	3,530,448	680,500	-	-	-	4,210,948
Subordinated debt	-	-	-	-	3,317,803	3,317,803
Deposits and other accounts	7,996,814	27,182,555	97,667,672	-	-	132,847,041
Net inter segment borrowing	42,036,757	4,875,091	16,002,485	62,437,435	-	125,351,768
Others	147,250	290,183	1,830,114	2,914	6,218,120	8,488,581
Total liabilities	53,711,269	33,028,329	119,168,085	62,440,349	9,535,923	277,883,955
Equity	(65,634)	54,812	241,677	832,074	11,594,092	12,657,021
Total equity and liabilities	53,645,635	33,083,141	119,409,762	63,272,423	21,130,015	290,540,976
Contingencies and commitments	7,200,717	6,358,077	2,803	33,770,993	230,581	47,563,171

	31 March 2019 (Un-Audited)					
	Corporate Banking	Commercial & SME Banking	Retail & consumer Banking	Trading & Sales	Others	Total
	(Rupees in '000)					
Profit and Loss						
Net profit / return earned	1,034,603	745,041	(760,898)	307,364	(100,442)	1,225,668
Inter segment revenue - net	-	140,626	1,667,468	-	200,211	2,008,305
Other income	95,767	52,140	62,810	80,630	28,626	319,973
Total Income	1,130,370	937,807	969,380	387,994	128,395	3,553,946
Segment direct expenses	(39,428)	(178,058)	(611,479)	(13,547)	(404,038)	(1,246,550)
Inter segment expense allocation	(1,111,665)	(387,890)	-	(508,750)	-	(2,008,305)
Total expenses	(1,151,093)	(565,948)	(611,479)	(522,297)	(404,038)	(3,254,855)
Provisions	(28,617)	(88,560)	-	(38,063)	(4,536)	(159,776)
Profit / (loss) before tax	(49,340)	283,299	357,901	(172,366)	(280,179)	139,315

	31 December 2019 (Audited)					
	Corporate Banking	Commercial & SME Banking	Retail & consumer Banking	Trading & Sales	Others	Total
	(Rupees in '000)					
Statement of Financial Position						
Cash and balances with treasury banks	-	-	26,319,937	-	-	26,319,937
Balances with other banks	-	-	-	2,850,550	-	2,850,550
Due from financial institutions	-	-	-	14,598,633	-	14,598,633
Investments	4,612,102	-	-	19,582,783	-	24,194,885
Net inter segment lending	-	18,295,243	74,619,577	-	7,299,404	100,214,224
Islamic financing and related assets - performing	40,601,834	13,324,235	15,761,145	611,179	1,571,662	71,870,055
- non-performing	1,519,939	1,730,172	280,514	-	43,032	3,573,657
Others	3,729,619	825,419	3,544,818	1,282,846	9,191,807	18,574,509
Total assets	50,463,494	34,175,069	120,525,991	38,925,991	18,105,905	262,196,450
Bills payable	-	-	3,223,721	-	-	3,223,721
Due to financial institutions	2,254,000	194,000	-	1,830,132	-	4,278,132
Subordinated debt	-	-	-	-	3,460,661	3,460,661
Deposits and other accounts	6,209,662	27,750,216	95,694,410	-	-	129,654,288
Net inter segment borrowing	43,022,157	5,311,108	15,628,488	36,252,471	-	100,214,224
Others	107,308	65,729	4,374,866	4,631	4,081,326	8,633,860
Total liabilities	51,593,127	33,321,053	118,921,485	38,087,234	7,541,987	249,464,886
Equity	(1,129,633)	854,016	1,604,506	838,757	10,563,918	12,731,564
Total equity and liabilities	50,463,494	34,175,069	120,525,991	38,925,991	18,105,905	262,196,450
Contingencies and commitments	7,663,613	7,972,495	5,721	26,763,463	230,581	42,635,873

34 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, employee benefit plans and its directors and Key Management Personnel.

The Banks enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of employee benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties during the period , other than those which have been disclosed elsewhere in these condensed interim financial statements are as follows:

	31 March 2020 (Un-Audited)					31 December 2019 (Audited)				
	Parent	Directors	Key management personnel	Other related parties	Total	Parent	Directors	Key management personnel	Other related parties	Total
	(Rupees in '000)									
Investments										
Investments	-	-	-	52,200	52,200	-	-	-	52,200	52,200
Provision for diminution in value of investments	-	-	-	26,154	26,154	-	-	-	26,154	26,154
Islamic financing and related assets										
Opening balance	-	-	260,522	-	260,522	-	-	266,572	30,122	296,694
Addition during the quarter / year	-	-	5,636	-	5,636	-	-	63,620	-	63,620
Repaid during the quarter / year	-	-	(13,074)	-	(13,074)	-	-	(46,237)	(30,122)	(76,359)
Transfer in/(out)	-	-	-	-	-	-	-	(23,433)	-	(23,433)
Closing balance	-	-	253,084	-	253,084	-	-	260,522	-	260,522
Fixed assets										
Fixed assets	-	-	-	251,680	251,680	-	-	-	251,680	251,680
Provision for impairment	-	-	-	251,680	251,680	-	-	-	251,680	251,680
Other assets										
Profit receivable on Islamic financing and related assets	-	-	205	-	205	-	-	213	-	213
Receivable in respect of defined benefit plan	-	-	-	23,351	23,351	-	-	-	23,351	23,351
	(Rupees in '000)									
Subordinated debt										
Opening balance	1,389,241	-	-	-	1,389,241	1,389,241	-	-	-	1,389,241
Issued during the quarter / year	-	-	-	-	-	-	-	-	-	-
Redemption during the quarter / year	-	-	-	-	-	-	-	-	-	-
Closing balance	1,389,241	-	-	-	1,389,241	1,389,241	-	-	-	1,389,241
Deposits and other accounts										
Opening balance	4,413	241,699	67,187	1,020,924	1,334,223	5,937	211,722	27,874	784,718	1,030,251
Received during the quarter / year	1	28,985	133,115	727,214	889,315	1	409,223	333,779	2,512,880	3,255,883
Withdrawn during the quarter / year	-	(31,446)	(122,135)	(667,298)	(820,879)	(1,525)	(379,246)	(294,161)	(2,276,411)	(2,951,343)
Transfer in/(out)	-	-	-	-	-	-	-	(305)	(263)	(568)
Closing balance	4,414	239,238	78,167	1,080,840	1,402,659	4,413	241,699	67,187	1,020,924	1,334,223
Other Liabilities										
Return payable on deposits	-	2,100	310	4,491	6,901	-	416	239	1,821	2,476
Return payable on Sub-ordinated debt	151,471	-	-	-	151,471	96,378	-	-	-	96,378
Other liabilities	-	-	-	657	657	-	-	-	657	657
Non-funded exposure										
	-	-	-	84,145	84,145	-	-	-	78,160	78,160
	(Rupees in '000)									
Related party transactions										
Income										
Profit earned on Islamic financing and related assets	-	-	1,456	-	1,456	-	-	2,422	869	3,291
Revenue earned from non funded exposure	-	-	-	-	-	-	-	-	42	42
Expense										
Return on deposits expenses	-	4,824	809	15,848	21,481	-	3,958	192	19,972	24,122
Salaries, allowances and benefits	-	-	59,281	-	59,281	-	-	48,159	-	48,159
Director fee and other allowances	-	12,500	-	-	12,500	-	13,954	-	-	13,954
Shariah Board fee	-	-	-	1,333	1,333	-	-	-	1,056	1,056
Rent expense	-	-	-	5,590	5,590	-	-	-	-	-
Contribution to defined contribution plan	-	-	-	21,268	21,268	-	-	-	18,618	18,618
Contribution to defined benefit plan	-	-	-	17,447	17,447	-	-	-	15,130	15,130
Return on Sub-ordinated loan	130,718	-	-	-	130,718	47,134	-	-	-	47,134

	31 March 2020 ----- (Rupees in '000) ----- (Un-Audited)	31 December 2019 ----- (Rupees in '000) ----- (Audited)
35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,545,316	11,366,640
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	7,749,667	7,510,836
Eligible Additional Tier 1 (ADT 1) Capital	1,389,241	1,355,031
Total Eligible Tier 1 Capital	9,138,908	8,865,867
Eligible Tier 2 Capital	2,076,229	2,258,385
Total Eligible Capital (Tier 1 + Tier 2)	11,215,137	11,124,252
Risk Weighted Assets (RWAs):		
Credit Risk	75,618,862	71,806,837
Market Risk	1,228,245	1,587,601
Operational Risk	10,294,929	10,234,079
Total	87,142,037	83,628,517
Common Equity Tier 1 Capital Adequacy ratio	8.89%	8.98%
Tier 1 Capital Adequacy Ratio	10.49%	10.60%
Total Capital Adequacy Ratio	12.87%	13.30%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	9,138,908	8,865,867
Total Exposures	212,689,392	206,275,588
Leverage Ratio	4.30%	4.30%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	29,539,055	43,264,366
Total Net Cash Outflow	13,498,471	34,820,470
Liquidity Coverage Ratio	218.83%	124.25%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	114,450,785	111,735,549
Total Required Stable Funding	70,534,167	68,811,546
Net Stable Funding Ratio	162.26%	162.38%

36. GENERAL

Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate the comparison. No significant reclassification were made during the current period.

Figures have been rounded off to the nearest thousand rupees.

37. DATE OF AUTHORISATION

These financial statements were authorized for issue on _____ 2020 by the Board of Directors of the Bank.

Chief Executive Officer

Chief Financial Officer

Chairman

Director

Director