

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	31 March 2018	31 December 2017
Note	----- (Rupees '000) ----- (Un-Audited)	(Audited)
ASSETS		
Cash and balances with treasury banks	8,462,123	8,915,585
Balances with other banks	290,647	2,932,165
Due from financial institutions	6 5,095,411	5,095,411
Investments	7 19,709,774	19,393,486
Islamic financing and related assets	8 72,012,218	71,203,056
Operating fixed assets	9 4,046,116	4,082,153
Deferred tax assets	3,405,243	3,238,985
Other assets	5,761,923	5,799,760
	118,783,455	120,660,601
LIABILITIES		
Bills payable	1,510,183	1,691,141
Due to financial institutions	3,594,150	3,209,400
Deposits and other accounts	10 96,974,405	98,589,904
Sub-ordinated loans	11 2,500,000	2,642,852
Deferred tax liabilities	-	-
Other liabilities	3,692,065	3,765,083
	108,270,803	109,898,380
NET ASSETS	10,512,652	10,762,221
REPRESENTED BY		
Share capital	13,739,628	13,739,628
Discount on issuance of shares - net	(632,766)	(632,766)
Reserves	159,348	159,348
Accumulated loss	(2,897,011)	(2,675,723)
	10,369,199	10,590,487
Surplus on revaluation of assets - net of tax	143,453	171,734
	10,512,652	10,762,221

CONTINGENCIES AND COMMITMENTS

12

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

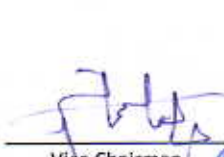
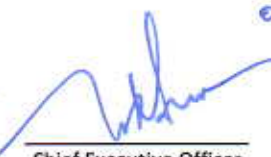


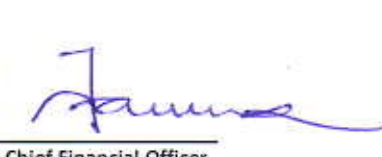


 Vice Chairman Chief Executive Officer Director Director Chief Financial Officer

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2018

		Quarter ended	
		31 March 2018	31 March 2017
Note	-----	(Rupees '000)-----	
Profit / return earned on Islamic financing and related assets, investments and placements	13	1,739,014	1,644,512
Return on deposits and other dues expensed		(796,656)	(743,902)
Net spread earned		942,358	900,610
Provision against non-performing Islamic financing and related assets	8.2	(363,283)	(20,772)
Provision for diminution in the value of investments		(6,343)	(3,638)
Net spread after provisions		572,732	876,200
Other income			
Fee, commission and brokerage income		167,039	189,515
Dividend income		6,337	9,450
Income from dealing in foreign currencies		73,743	24,937
Gain on sale of securities		18,082	99,429
Unrealized loss on revaluation of investments classified as held-for-trading		(702)	-
Other income	14	283	35,585
Total other income		264,782	358,916
		837,514	1,235,116
Other expenses			
Administrative expenses		(1,184,872)	(1,207,756)
Other provisions / write off		-	-
Other charges	15	(20)	(26,388)
Total other expenses		(1,184,892)	(1,234,144)
		(347,378)	972
Extra ordinary / unusual items		-	-
(Loss) / Profit before taxation		(347,378)	972
Taxation		(25,056)	(20,034)
- Current		-	-
- Prior year		151,072	19,683
- Deferred		126,016	(351)
(Loss) / Profit after taxation		(221,362)	621
		----- Rupee -----	
(Loss) / Earning per share - basic / diluted		(0.16)	0.00

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

				
Vice Chairman	Chief Executive Officer	Director	Director	Chief Financial Officer

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2018

	Quarter ended	
	31 March 2018	31 March 2017
	----- (Rupees '000) -----	
(Loss) / Profit after taxation	(221,362)	621
Other comprehensive income	-	-
Comprehensive (loss) / income transferred to equity	(221,362)	621
Components of comprehensive income not reflected in equity		
Deficit on revaluation of available-for-sale securities - net of tax *	(28,207)	(113,929)
Movement in revaluation of non-banking assets - net of tax	(74)	(29,265)
Total comprehensive loss	(249,643)	(142,573)

* Surplus / (deficit) on revaluation of available-for-sale securities - net of tax has been shown in the statement of comprehensive income in order to comply with the revised "Prudential Regulations for Corporate / Commercial Banking" issued by the State Bank of Pakistan vide its BPRD Circular No. 06 of 2014 on 26 June 2014.

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

 _____ Vice Chairman	 _____ Chief Executive Officer	 _____ Director	 _____ Director	 _____ Chief Financial Officer
---	---	--	---	---

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2018

	Quarter ended	
	31 March 2018	31 March 2017
Note	------(Rupees '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) /profit before taxation	(347,378)	972
Dividend income	(6,337)	(9,450)
	<u>(353,715)</u>	<u>(8,478)</u>
Adjustments for non-cash and other items:		
Depreciation	53,735	56,633
Amortisation	46,572	28,765
Depreciation - non banking assets	6,417	6,417
Provision against non-performing Islamic financing and related assets	363,283	20,772
Provision for diminution in the value of investments	6,343	3,638
Unrealized loss on revaluation of investments classified as held for trading	702	-
Gain on sale of operating fixed assets	(89)	(2,048)
	<u>476,963</u>	<u>114,177</u>
	<u>123,248</u>	<u>105,699</u>
(Increase) / decrease in operating assets		
Due from financial institutions	-	2,692,703
Islamic financing and related assets	(1,172,445)	(2,208,688)
Other assets	13,194	192,103
	<u>(1,159,251)</u>	<u>676,118</u>
Increase / (decrease) in operating liabilities		
Bills payable	(180,958)	50,227
Due to financial institutions	384,750	4,350,914
Deposits and other accounts	(1,615,499)	(13,836,501)
Other liabilities	(73,018)	134,086
	<u>(1,484,725)</u>	<u>(9,301,274)</u>
Income tax paid	(2,858)	(7,922)
Net cash used in operating activities	<u>(2,523,586)</u>	<u>(8,527,379)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available-for-sale investments	(386,888)	(3,633,105)
Net redemptions in held-for-trading investments	20,160	-
Net investments in operating fixed assets	(76,420)	(45,739)
Dividend received	2,374	4,548
Proceeds from disposal of operating fixed assets	12,238	4,065
Net cash used in investing activities	<u>(428,536)</u>	<u>(3,670,231)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Tier II mudaraba sukuk - first issue	(142,858)	(142,858)
Net cash used in financing activities	<u>(142,858)</u>	<u>(142,858)</u>
Net decrease in cash and cash equivalents	<u>(3,094,980)</u>	<u>(12,340,468)</u>
Cash and cash equivalents at beginning of the quarter	11,847,750	19,709,475
Cash and cash equivalents at end of the quarter	<u>8,752,770</u>	<u>7,369,007</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

 Vice Chairman	 Chief Executive Officer	 Director	 Director	 Chief Financial Officer
--	--	---	--	--

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2018

	Issued, subscribed and paid-up share capital	Advance against issuance of shares	Discount on issuance of shares - net	Statutory Reserve *	Accumulated loss	Total
	(Rupees '000)					
Balance as at 01 January 2017	13,739,628	-	(632,766)	159,348	(2,281,369)	10,984,841
Profit after taxation for the quarter	-	-	-	-	621	621
Other comprehensive income for the quarter	-	-	-	-	-	-
Total comprehensive income for the quarter	-	-	-	-	621	621
Transfer from surplus on revaluation of non-banking assets - net of tax	-	-	-	-	74	74
Balance as at 31 March 2017	13,739,628	-	(632,766)	159,348	(2,280,674)	10,985,536
Loss after taxation for the period	-	-	-	-	(390,059)	(390,059)
Other comprehensive loss for the period	-	-	-	-	(5,211)	(5,211)
Total comprehensive loss for the period	-	-	-	-	(395,270)	(395,270)
Transfer from surplus on revaluation of non-banking assets - net of tax	-	-	-	-	221	221
Balance as at 31 December 2017	13,739,628	-	(632,766)	159,348	(2,675,723)	10,590,487
Loss after taxation for the quarter	-	-	-	-	(221,362)	(221,362)
Other comprehensive income for the quarter	-	-	-	-	-	-
Total comprehensive loss for the quarter	-	-	-	-	(221,362)	(221,362)
Transfer from surplus on revaluation of non-banking assets - net of tax	-	-	-	-	74	74
Balance as at 31 March 2018	13,739,628	-	(632,766)	159,348	(2,897,011)	10,369,199

* This represents reserve created under section 21(1)(a) of the Banking Companies Ordinance, 1962.

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

 Vice Chairman	 Chief Executive Officer	 Director	 Director	 Chief Financial Officer
--	--	---	--	--

ALBARAKA BANK (PAKISTAN) LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2018

1. LEGAL 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 under the Companies Ordinance, 1984.

The main objective of the Bank is to carry on Islamic banking business in Pakistan in accordance and in conformity with Shariah. 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.

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 is a subsidiary of AlBaraka Islamic Bank B.S.C. (c) (major sponsor) incorporated and domiciled in Bahrain and a member of AlBaraka Banking Group.

The Bank's registered office is located at 162, Bangalore Town, Main Sharah-e-Faisal, Karachi. The Bank has 188 branches including 13 sub-branches (31 December 2017 ; 188 branches including 13 sub-branches) in Pakistan.

Based on the financial statements of the Bank for the year ended 31 December 2016, JCR-VIS has upgraded the long-term rating to 'A+' and maintained short-term rating at 'A1' along with stable outlook. Pakistan Credit Rating Agency Limited (PACRA) has maintained the Bank's long-term rating at "A" and short term rating at 'A1' and has upgraded the outlook to positive.

- 1.2** As at 31 March 2018, the Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) stood at Rs.10.21 billion and 10.02% respectively.

2. STATEMENT OF COMPLIANCE

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

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB),
- 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.

Wherever the requirements of provisions of the Companies Act, 2017, the Banking Companies Ordinance, 1962, and directives issued by the Securities & Exchange Commission of Pakistan (SECP) and the SBP differ from the requirements of IAS 34 or IFAS, the requirements of the Companies Act, 2017, the Banking Companies Ordinance, 1962, and the directives issued by the SECP and the SBP have been followed.

3. BASIS OF MEASUREMENT

- 3.1** These condensed interim financial statements have been prepared under the historical cost convention except for available for sale investments, non-banking assets and commitments in respect of foreign exchange forward contracts which have been measured at fair value.

- 3.2** Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Bank operates. These condensed interim financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as describe below :

- 4.1 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period**

There are certain new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after January 1, 2018 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these condensed interim financial statements.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis and the methods used for critical accounting estimates and judgements adopted in these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2017.

		31 March 2018	31 December 2017
	Note	(Un-Audited)	(Audited)
----- (Rupees '000) -----			
6. DUE FROM FINANCIAL INSTITUTIONS			
- Bai muajjal	6.1	5,095,411	5,095,411
6.1 Bai muajjal		5,372,200	5,372,200
Deferred income		(61,424)	(129,674)
Profit receivable shown in other assets		(215,365)	(147,115)
	6.1.1	<u>5,095,411</u>	<u>5,095,411</u>

6.1.1 The return on bai muajjal is 5.26% to 5.74% (31 December 2017: 5.26% to 5.74%) per annum. These will mature by June 2018.

7. INVESTMENTS

	Note	31 March 2018 (Un-Audited)			31 December 2017 (Audited)		
		Held by Bank	Given as Collateral	Total	Held by Bank	Given as Collateral	Total
----- Rupees in '000 -----							
Held for trading securities							
Ordinary shares of listed companies		6,877	-	6,877	33,135	-	33,135
Available for sale securities							
Sukuk certificates	7.1	18,861,860	-	18,861,860	18,499,630	-	18,499,630
Ordinary shares of listed companies		1,297,243	-	1,297,243	1,272,585	-	1,272,585
Ordinary shares of unlisted company		52,200	-	52,200	52,200	-	52,200
Units of open-end mutual funds		69,408	-	69,408	69,408	-	69,408
		<u>20,280,711</u>	-	<u>20,280,711</u>	<u>19,893,823</u>	-	<u>19,893,823</u>
Investments at cost		20,280,711	-	20,280,711	19,926,958	-	19,926,958
Less: Provisions for diminution in the value of investments		(285,113)	-	(285,113)	(278,770)	-	(278,770)
Investments (net of provisions)		20,002,475	-	20,002,475	19,648,188	-	19,648,188
Deficit on revaluation of investments classified of available for sale securities		(291,999)	-	(291,999)	(248,604)	-	(248,604)
Deficit on revaluation of investments classified as held for trading securities		(702)	-	(702)	(6,098)	-	(6,098)
Total investments at market value		<u>19,709,774</u>	<u>-</u>	<u>19,709,774</u>	<u>19,393,486</u>	<u>-</u>	<u>19,393,486</u>

7.1 Sukuk certificates include Government of Pakistan Ijarah sukuk amounting to Rs. 10,286 million (31 December 2017: Rs. 10,299 million)

	Note	31 March 2018	31 December 2017
		(Un-Audited)	(Audited)
----- (Rupees '000) -----			
8. ISLAMIC FINANCING AND RELATED ASSETS			
In Pakistan			
Islamic financing and related assets			
- Murabaha finance		10,755,062	9,603,633
- Advance against murabaha finance		1,657,125	2,101,551
- Murabaha inventory		1,469	-
- Export refinance under Islamic scheme		1,294,470	1,947,276
- Advance against export refinance under Islamic scheme		2,408,100	1,772,129
- Ijarah assets under IFAS 2		2,379,772	2,643,116
- Net investment in Ijarah		112,493	112,493
- Advance against Ijarah		4,517	19,974
- Diminishing musharaka financing		36,645,011	36,142,499
- Advance against diminishing musharaka finance		917,768	991,561
- Running musharaka		150,000	150,000
- Tijarah finance		1,195,733	1,378,591
- Over due acceptances		752,070	698,722
- Payment against guarantee		62,796	62,796
- Payment against documents		2,965	4,701
- Salam financing		21,589	22,087
- Advance against salam		9,189,329	8,968,061
- Salam inventory		-	8,160
- Financing against bills		1,481,669	569,832
- Istasna finance		757,558	1,235,413
- Advance against istasna		5,376,177	5,713,369
- Istasna inventory		172,200	30,800
- Staff financing		1,322,763	1,308,798
- Advance against staff financing		4,030	6,626
- Rahnuma travel services		48	81
Islamic financing and related assets - gross		<u>76,664,714</u>	<u>75,492,269</u>
Provisions for non-performing financing - specific	8.2	(4,524,505)	(4,202,127)
- general	8.2	(127,991)	(87,086)
		<u>(4,652,496)</u>	<u>(4,289,213)</u>
Islamic financing and related assets - net of provisions		<u>72,012,218</u>	<u>71,203,056</u>

- 8.1 Islamic financing and related assets include Rs. 7,350.399 (31 December 2017 : Rs. 7,651.332) million which have been placed under non-performing status as detailed below:

Category of classifications	31 March 2018 (Un-Audited)				
	Classified Islamic financing and related assets			Provision required	Provision held
	Domestic	Overseas	Total		
	----- Rupees in '000 -----				
Other assets especially mentioned	74,335	-	74,335	-	-
Substandard	987,786	-	987,786	117,750	117,750
Doubtful	978,482	-	978,482	198,813	198,813
Loss	5,309,796	-	5,309,796	4,207,942	4,207,942
	<u>7,350,399</u>	<u>-</u>	<u>7,350,399</u>	<u>4,524,505</u>	<u>4,524,505</u>

Category of classifications	31 December 2017 (Audited)				
	Classified Islamic financing and related assets			Provision required	Provision held
	Domestic	Overseas	Total		
	----- Rupees in '000 -----				
Other assets especially mentioned	35,182	-	35,182	-	-
Substandard	1,434,832	-	1,434,832	133,894	133,894
Doubtful	653,068	-	653,068	127,265	127,265
Loss	5,528,250	-	5,528,250	3,940,968	3,940,968
	<u>7,651,332</u>	<u>-</u>	<u>7,651,332</u>	<u>4,202,127</u>	<u>4,202,127</u>

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

	31 March 2018 (Un-Audited)			31 December 2017 (Audited)		
	Specific	General	Total	Specific	General	Total
		----- Rupees in '000 -----				
Opening balance	4,202,127	87,086	4,289,213	4,217,953	86,969	4,304,922
Charge for the quarter / year	373,224	40,905	414,129	459,119	117	459,236
Reversals for the quarter / year	(50,846)	-	(50,846)	(474,945)	-	(474,945)
	<u>322,378</u>	<u>40,905</u>	<u>363,283</u>	<u>(15,826)</u>	<u>117</u>	<u>(15,709)</u>
Closing balance	<u>4,524,505</u>	<u>127,991</u>	<u>4,652,496</u>	<u>4,202,127</u>	<u>87,086</u>	<u>4,289,213</u>

- 8.2.1 The above provision against non-performing Islamic financing and related assets has been computed after considering allowable forced sale value (FSV) of collateral amounting to Rs. 1,980.621 (31 December 2017: Rs. 2,597.403) million. The FSV benefit recognized is not allowed for distribution of cash or stock dividend to shareholders and bonus to employees.
- 8.2.2 The Bank maintains general reserve (provisions) in accordance with the applicable requirements of prudential regulations for consumer financing.
- 8.2.3 SBP vide its letter BPRD/BLRD-3/DMG/2011-1035 has allowed relaxation from further provisioning requirement against a financing exposure having a provisioning impact of Rs. 40 million (31 December 2017: Rs. 40) million. Further SBP vide its letter BPRD/BRD/PRs/ 024/2018 dated 01 January 2018 has also allowed time bound relaxation from provisioning of Rs 237.726 million against a financing exposure to be recognized in a phased manner by 31 December 2018. As per such relaxation, the Bank is required to book 25% of provision as of 31 March 2018 which amounts to Rs. 59.432 million and the same has been booked in these condensed interim financial statements. Accordingly, further provisioning impact of Rs 178.29 million has to be recognized by 31 December 2018.

9. OPERATING FIXED ASSETS	Note	31 March 2018	31 December 2017
		(Un-Audited)	(Audited)
Property and equipment		1,819,601	1,855,376
Intangible assets		1,679,529	1,720,577
Capital work-in-progress	9.1	546,986	506,200
		<u>4,046,116</u>	<u>4,082,153</u>
9.1 Capital work-in-progress			
Land and building including advances to suppliers and contractors		546,986	506,200
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		<u>546,986</u>	<u>506,200</u>

	31 March 2018	31 March 2017
	----- (Rupees '000) -----	----- (Un-Audited) -----
9.2 Additions to operating fixed assets	35,555	13,556
Disposals operating fixed assets - cost	24,135	11,895
	<u>35,555</u>	<u>13,556</u>
	<u>24,135</u>	<u>11,895</u>
	31 March 2018	31 December 2017
	----- (Rupees '000) -----	----- (Rupees '000) -----
	(Un-Audited)	(Audited)
10. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	18,228,068	18,530,047
Savings deposits	48,462,836	49,335,247
Current accounts - non-remunerative	24,025,790	24,074,933
Margin deposits	1,256,344	1,359,486
	<u>91,973,038</u>	<u>93,299,713</u>
Financial Institutions		
Remunerative deposits	4,941,704	5,201,905
Non-remunerative deposits	59,663	88,286
	<u>5,001,367</u>	<u>5,290,191</u>
	<u>96,974,405</u>	<u>98,589,904</u>
11. SUB - ORDINATED LOANS		
Tier II mudaraba sukuk - first issue	1,000,000	1,142,852
Tier II mudaraba sukuk - second issue	1,500,000	1,500,000
	<u>2,500,000</u>	<u>2,642,852</u>
12. CONTINGENCIES AND COMMITMENTS		
12.1 Transaction-related contingent liabilities		
Includes performance bonds, bid bonds, shipping guarantees favouring:		
- Government	5,136,256	5,589,644
- Banking companies and other financial institutions	263,289	25,252
- Others	617,492	1,500,360
	<u>6,017,037</u>	<u>7,115,256</u>
12.2 Trade-related contingent liabilities		
Letters of credit	8,344,328	8,082,529
Others - Shipping Guarantees	-	2,650
Acceptances	3,828,633	1,991,792
	<u>8,344,328</u>	<u>8,082,529</u>
12.3 Commitments in respect of forward exchange contracts		
Purchase	8,255,523	5,582,401
Sale	6,712,995	3,547,869
	<u>8,255,523</u>	<u>5,582,401</u>
	<u>6,712,995</u>	<u>3,547,869</u>
12.4 Commitments to incur capital expenditure	12,939	10,501
12.5 Other Contingencies		

12.5.1 There is no change in the status of contingencies disclosed in note 22.5.1 and 22.5.2 to the financial statements for the year ended 31 December 2017.

	31 March 2018 ----- (Rupees '000) ----- (Un-Audited)	31 December 2017 ----- (Rupees '000) ----- (Audited)
Deposits		
At beginning of the quarter / year	819,202	745,954
Deposits / additions during the quarter / year	427,067	413,432
Withdrawals / deletions during the quarter / year	(296,552)	(340,184)
At end of the quarter / year	949,717	819,202
Other balances		
Profit receivable on Islamic financing and related assets	1,743	142
Return payable on deposits	4,334	3,156
Investments	52,200	52,200
Provision for diminution in the value of investments	19,637	19,637
Sub-ordinated loan	1,000	5,714
Return payable on Sub-ordinated loan	1	113
Payable to shareholders	657	657
	Quarter ended (Un-Audited)	
	31 March 2018	31 March 2017
	----- (Rupees '000) -----	----- (Rupees '000) -----
Transactions, income and expenses		
Profit earned on Islamic financing and related assets	1,601	2,704
Return on deposits expenses	10,712	8,154
Director fee and other allowances	14,786	16,191
Shariah Board fee	1,585	2,122
Return on Sub-ordinated loan	21	-
Others	-	22,664
	31 March 2018	31 December 2017
	----- (Rupees '000) -----	----- (Rupees '000) -----
	(Un-Audited)	(Audited)
Staff Retirement benefit plan of the Bank		
Balance		
Receivable in respect of defined benefit plan	12,579	12,579
	Quarter ended (Un-Audited)	
	31 March 2018	31 March 2017
	----- (Rupees '000) -----	----- (Rupees '000) -----
Transactions, income and expenses		
Contribution to defined contribution plan	17,513	17,837
Contribution to defined benefit plan	12,359	7,369

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

17.1 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. As of 31 March 2018, the Bank does not have any investment as 'held to maturity'.

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.