

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	31 March 2019	31 December 2018
Note	----- (Rupees in '000) ----- (Un-Audited)	----- (Audited)

ASSETS

Cash and balances with treasury banks	6	10,216,091	14,934,799
Balances with other banks	7	623,983	854,171
Due from financial institutions	8	1,729,581	-
Investments	9	24,975,188	21,345,325
Islamic financing and related assets-net	10	73,868,711	75,011,976
Fixed assets	11	2,366,119	2,310,578
Intangible assets	12	1,569,507	1,572,861
Deferred tax assets	13	3,246,010	3,238,909
Other assets	14	10,765,933	9,544,420
		129,361,123	128,813,039

LIABILITIES

Bills payable	15	3,846,727	3,697,477
Due to financial institutions	16	5,577,645	3,836,022
Deposits and other accounts	17	98,023,707	99,915,011
Subordinated debt	18	3,603,519	3,746,377
Deferred tax liabilities		-	-
Other liabilities	19	7,609,755	6,913,069
		118,661,353	118,107,956

NET ASSETS

		10,699,770	10,705,083
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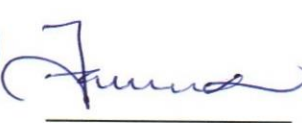
Share capital-net		13,106,862	13,106,862
Reserves		173,424	159,348
Surplus on revaluation of assets	20	277,444	353,212
Accumulated loss		(2,857,960)	(2,914,339)
		10,699,770	10,705,083

CONTINGENCIES AND COMMITMENTS


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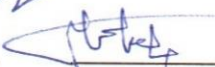
The annexed notes from 1 to 37 form an integral part of these condensed interim financial statements.


 Chief Executive Officer


 Chief Financial Officer


 Director





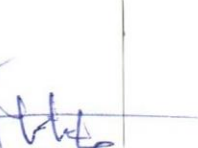

 Director


 Director

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2019

	Note	Quarter ended	
		31 March 2019	31 March 2018
		----- (Rupees in '000) -----	
Profit / return earned on Islamic financing and related assets, investments and placements	22	2,542,219	1,739,014
Return on deposits and other dues expensed	23	(1,288,415)	(796,656)
Net spread earned		1,253,804	942,358
Other income			
Fee and commission income	24	203,049	167,779
Dividend income		5,487	6,337
Foreign exchange income		57,895	73,003
Gain on securities	25	23,749	17,380
Other income	26	1,657	283
Total other income		291,837	264,782
Total Income		1,545,641	1,207,140
Other expenses			
Operating expenses	27	(1,246,361)	(1,184,872)
Workers welfare fund		-	-
Other charges	28	(189)	(20)
Total other expenses		(1,246,550)	(1,184,892)
Profit before provisions		299,091	22,248
Provisions and write offs - net	29	(159,776)	(369,626)
Extra ordinary / unusual items		-	-
Profit / (loss) before taxation		139,315	(347,378)
Taxation	30	(68,934)	126,016
Profit / (loss) after taxation		70,381	(221,362)
		----- Rupee -----	
Pofit / (loss) per share - basic / diluted	31	0.05	(0.16)


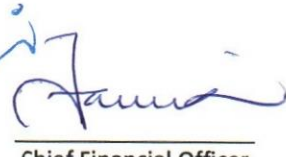

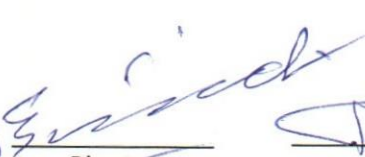
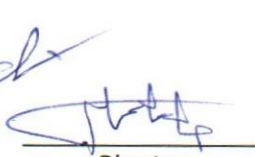
The annexed notes from 1 to 37 form an integral part of these condensed interim financial statements.

				
Chief Executive Officer	Chief Financial Officer	Director	Director	Director

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2019

	Quarter ended	
	31 March 2019	31 March 2018
	---- (Rupees in '000) ----	
Profit / (loss) after taxation for the period	70,381	(221,362)
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in deficit on revaluation of investments - net of tax	(75,694)	(28,207)
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	(5,387)	(249,643)


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


 _____ Chief Executive Officer	 _____ Chief Financial Officer	 _____ Director	 _____ Director	 _____ Director
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ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2019

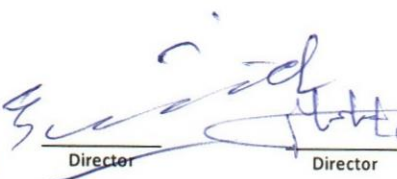
	Share capital	Discount on issue of shares	Statutory reserve	Surplus / (Deficit) on revaluation of		Accumulated loss	Total
				Investments	Non Banking Assets		
----- (Rupees in '000) -----							
Balance as at 31 December 2017 (restated)	13,739,628	(632,766)	159,348	(161,593)	333,327	(2,675,723)	10,762,221
Loss after taxation for the year	-	-	-	-	-	(221,362)	(221,362)
Other comprehensive loss - net of tax	-	-	-	(28,207)	-	-	(28,207)
Transfer to statutory reserve	-	-	-	-	-	-	-
Transfer from surplus on revaluation of assets to accumulated loss - net of tax	-	-	-	-	(74)	74	-
Balance as at 31 March 2018	13,739,628	(632,766)	159,348	(189,800)	333,253	(2,897,011)	10,512,652
Loss after taxation for the current year	-	-	-	-	-	(32,366)	(32,366)
Other comprehensive income - net of tax	-	-	-	210,185	(205)	14,817	224,797
Transfer to statutory reserve	-	-	-	-	-	-	-
Transfer from surplus on revaluation of assets to accumulated loss - net of tax	-	-	-	-	(221)	221	-
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 year	-	-	-	-	-	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 - net of tax	-	-	-	-	(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


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


 Chief Executive Officer


 Chief Financial Officer


 Director



 Director


 Director

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2019

	Quarter ended	
	31 March 2019	31 March 2018
Note	---- (Rupees in '000) ----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	139,315	(347,378)
Less: Dividend income	(5,487)	(6,337)
	<u>133,828</u>	<u>(353,715)</u>
Adjustments:		
Depreciation	43,464	53,735
Amortization	46,901	46,572
Depreciation - non banking assets	6,417	6,417
Provision and write-offs	159,776	369,626
Gain on sale of operating fixed assets	(1,269)	(89)
Unrealized (gain) / loss on revaluation of investments classified as held for trading	(11,822)	702
	<u>243,467</u>	<u>476,963</u>
	<u>377,295</u>	<u>123,248</u>
(Increase)/ Decrease in operating assets		
Due from financial institutions	(1,729,581)	-
Held-for-trading securities - net	72,264	20,160
Islamic financing and related assets - net	1,021,552	(1,172,445)
Others assets (excluding advance taxation)	(1,244,774)	13,194
	<u>(1,880,539)</u>	<u>(1,139,091)</u>
Increase/ (Decrease) in operating liabilities		
Bills payable	149,250	(180,958)
Due to financial institutions	1,741,623	384,750
Deposits	(1,891,304)	(1,615,499)
Other liabilities	696,686	(73,018)
	<u>696,255</u>	<u>(1,484,725)</u>
Income tax paid	(14,574)	(2,858)
Net cash used in operating activities	<u>(821,563)</u>	<u>(2,503,426)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(2,303,929)	(386,888)
Net investments in held-to-maturities securities	(1,540,891)	-
Dividends received	1,628	2,374
Investments in operating fixed assets	(142,817)	(76,420)
Proceeds from sale of fixed assets	1,534	12,238
Net cash used in investing activities	<u>(3,984,475)</u>	<u>(448,696)</u>
CASH FLOW 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>
Decrease in cash and cash equivalents		
Cash and cash equivalents at beginning of the quarter	(4,948,896)	(3,094,980)
Cash and cash equivalents at end of the quarter	<u>15,788,970</u>	<u>11,847,750</u>
	<u>10,840,074</u>	<u>8,752,770</u>

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


Chief Executive Officer
Chief Financial Officer
Director
Director
Director

ALBARAKA BANK (PAKISTAN) LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2019

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 (Ex Burj Bank Limited) under a "Scheme of Amalgamation" (the Scheme). Further, SBP of Pakistan, 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 191 branches including 8 sub-branches (31 December 2018: 191 branches including 11 sub-branches) in Pakistan.

1.3 Based on the financial statements of the Bank for the year ended 31 December 2017, 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 2019, the Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) stood at Rs.10.25 billion and 11.95 % respectively.

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 2018.

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 2018.

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 amendments to accounting standards and improvements to IFRSs which became effective for the current year:

Standard or Interpretation

- IFRS 2 - Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)
- IFRS 4 - Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)
- IFRIC Interpretation 22 - Foreign Currency Transactions and Advance Consideration

Improvements to Accounting Standards Issued by the IASB in December 2016

- IAS 28 - Investments in Associates and Joint Ventures: Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the financial statements.

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

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard, interpretation or amendment	Effective date (annual periods beginning on or after)
- IFRS 3 - Definition of a Business (Amendments)	January 01, 2020
- IFRS 9 - Financial Instruments: Classification and Measurement	July 01, 2018
- IFRS 9 - Prepayment Features with Negative Compensation – (Amendments)	January 01, 2019
- IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
- IFRS 15 - Revenue from Contracts with Customers	July 01, 2018
- IFRS 16 - Leases	January 01, 2019
- IFRIC 23 - Uncertainty over Income Tax Treatments	January 01, 2019
- IAS 1/ IAS 8 - Definition of Material (Amendments)	January 01, 2020
- IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
- IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)	January 01, 2019

The above standards, amendments and interpretations are not expected to have any material impact on the Bank's financial statements in the period of initial application, other than IFRS 9 and IFRS 16. With regard to IFRS 9, the Bank considers that as the Prudential Regulations and other SBP directives currently provide the accounting framework for the measurement and valuation of investments and provision against non performing financing, the implementation of IFRS 9 may require changes in the regulatory regime. Therefore, the Bank expects that the SBP would issue suitable guidance and instruction on the application of IFRS 9 for the banking sector of Pakistan. With regard to IFRS 16, the Bank is currently evaluating the impact of application of IFRS 16 on its financial statements.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2019. The Bank expects that such improvements to the standards will not have any impact on the Bank's financial statements in the period of initial application.

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 14 – Regulatory Deferral Accounts
- 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 2018.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the financial statements for the year ended 31 December 2018.

		31 March 2019	31 December 2018
Note		---- (Rupees in '000) ---- (Un-Audited)	(Audited)
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		2,302,145	2,590,755
Foreign currencies		735,214	533,505
		3,037,359	3,124,260
With State Bank of Pakistan in			
Local currency current account	6.1	5,406,090	9,630,719
Foreign currency current account	6.1	10,082	7,442
Foreign currency deposit account	6.1	1,034,788	972,084
		6,450,960	10,610,245
With National Bank of Pakistan in			
Local currency current account		727,765	1,200,287
Local currency deposit account		7	7
		727,772	1,200,294
		10,216,091	14,934,799

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 2019	31 December 2018
Note		---- (Rupees in '000) ---- (Un-Audited)	(Audited)
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current account		1,631	2,566
In deposit account	7.1	11,742	19,048
		13,373	21,614
Outside Pakistan			
In current account		473,789	721,699
In deposit account		136,821	110,858
		610,610	832,557
		623,983	854,171

7.1 The expected return on these deposits ranges from 4.25% to 8% (31 December 2018: 3.50% to 9%) per annum.

		31 March 2019	31 December 2018
Note		---- (Rupees in '000) ---- (Un-Audited)	(Audited)
8. DUE FROM FINANCIAL INSTITUTIONS			
Bai Muajjal receivable			
- from State Bank of Pakistan	8.1	1,029,581	-
Lending to financial institutions	8.2	700,000	-
		1,729,581	-

8.1 The return on bai muajjal is 10.23% to 10.25% (31 December 2018: Nil) per annum. These will mature by August 2019.

8.2 The expected return on these placements is 9.25% to 9.5% (31 December 2017: Nil) per annum. These will mature by April 2019.

9. INVESTMENTS

	Note	31 March 2019 (Un-Audited)				31 December 2018 (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		60,041	-	(11,352)	48,689	132,305	-	(23,174)	109,131
Available-for-sale securities									
Federal Government securities		16,448,117	-	59,679	16,507,796	14,154,625	-	249,944	14,404,569
Shares		1,466,953	(500,458)	(92,411)	874,084	1,453,504	(462,395)	(129,794)	861,315
Non Government debt securities	9.2	1,193,330	(111,455)	-	1,081,875	1,227,505	(111,455)	2,321	1,118,371
Foreign securities	9.2	2,396,577	-	(52,359)	2,344,218	2,365,414	-	(91,110)	2,274,304
		21,504,977	(611,913)	(85,091)	20,807,973	19,201,048	(573,850)	31,361	18,658,559
Held-to-maturity securities									
Federal Government securities	9.2	4,118,526	-	-	4,118,526	2,577,635	-	-	2,577,635
Total investments		25,683,544	(611,913)	(96,443)	24,975,188	21,910,988	(573,850)	8,187	21,345,325

	Note	31 March 2019 (Un-Audited)				31 December 2018 (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		2,152,144	-	(23,106)	2,129,038	8,114,508	-	(62,129)	8,052,379
Bai Muajjal		4,118,526	-	-	4,118,526	2,577,635	-	-	2,577,635
Other Sukuk		14,295,973	-	82,785	14,378,758	6,040,117	-	312,073	6,352,190
		20,566,643	-	59,679	20,626,322	16,732,260	-	249,944	16,982,204
Shares:									
Listed companies		1,470,716	(477,845)	(103,763)	889,108	1,529,587	(439,782)	(152,968)	936,837
Unlisted companies		56,278	(22,613)	-	33,665	56,222	(22,613)	-	33,609
		1,526,994	(500,458)	(103,763)	922,773	1,585,809	(462,395)	(152,968)	970,446
Non Government Debt Securities									
Unlisted		1,193,330	(111,455)	-	1,081,875	1,227,505	(111,455)	2,321	1,118,371
Foreign Securities									
Government securities		423,115	-	(24,583)	398,532	417,385	-	(42,039)	375,346
Non Government Debt securities		1,973,462	-	(27,776)	1,945,686	1,948,029	-	(49,071)	1,898,958
		2,396,577	-	(52,359)	2,344,218	2,365,414	-	(91,110)	2,274,304
Total investments		25,683,544	(611,913)	(96,443)	24,975,188	21,910,988	(573,850)	8,187	21,345,325

	31 March 2019 (Un-Audited)	31 December 2018 (Audited)
9.3 Provision for diminution in value of investments		
9.3.1 Opening balance	573,850	278,770
Charge / reversals		
Charge for the quarter / year	38,063	308,383
Reversals for the quarter / year	-	(5,632)
Reversal on disposals	-	(7,671)
	38,063	295,080
Closing balance	611,913	573,850

9.3.2 Particulars of provision against debt securities Category of classification	31 March 2019		31 December 2018	
	Non-performing Investment	Provision	Non-performing Investment	Provision
	----- (Rupees in '000) ----- (Un-Audited)		----- (Rupees in '000) ----- (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

10. ISLAMIC FINANCING AND RELATED ASSETS

Note	Performing		Non Performing		Total	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	----- (Rupees in '000) -----					
- Murabaha financing	6,033,651	7,287,788	2,673,547	2,604,584	8,707,198	9,892,372
- Advance against murabaha financing	1,243,411	1,021,163	208,740	204,339	1,452,151	1,225,502
- Export refinance under Islamic scheme	1,018,254	1,225,930	87,505	87,505	1,105,759	1,313,435
- Advance against export refinance under Islamic scheme	3,024,799	2,595,099	-	-	3,024,799	2,595,099
- Ijarah assets	767,604	1,006,762	665,582	656,162	1,433,186	1,662,924
- Diminishing musharaka financing	36,180,424	36,497,979	1,060,046	972,148	37,240,470	37,470,127
- Advance against diminishing musharaka finance	1,288,854	966,020	-	-	1,288,854	966,020
- Running musharaka	150,090	650,000	-	-	150,090	650,000
- Tijarah finance	2,738,091	2,212,594	-	-	2,738,091	2,212,594
- Over due acceptances	237,738	391,189	477,162	482,763	714,900	873,952
- Payment against guarantee	15,081	15,081	47,715	47,715	62,796	62,796
- Payment against documents	48,204	37,210	-	-	48,204	37,210
- Advance against salam	8,222,555	9,258,028	1,698,921	1,194,456	9,921,476	10,452,484
- Salam inventory	3	25	-	-	3	25
- Financing against bills	449,388	599,487	13,735	13,735	463,123	613,222
- Istasna finance	178,818	495,331	439,503	408,691	618,321	904,022
- Advance against istasna	9,005,451	7,808,331	363,462	348,460	9,368,913	8,156,791
- Istasna inventory	348,419	616,004	-	-	348,419	616,004
- Qarz-e-Hasna	63,601	67,371	-	-	63,601	67,371
- Rahnuma travel services	-	-	48	48	48	48
Islamic financing and related assets - gross	71,014,436	72,751,392	7,735,966	7,020,606	78,750,402	79,771,998
Provisions for non-performing financing						
- Specific	-	-	(4,717,713)	(4,614,044)	(4,717,713)	(4,614,044)
- General	(163,978)	(145,978)	-	-	(163,978)	(145,978)
Islamic financing and related assets - net of provisions	70,850,458	72,605,414	3,018,253	2,406,562	73,868,711	75,011,976

10.1 Particulars of Islamic financing and related assets (Gross)

	31 March 2019	31 December 2018
	----- (Rupees in '000) -----	
	(Un-Audited)	(Audited)
In local currency	78,246,861	79,123,864
In foreign currencies	503,541	648,134
	78,750,402	79,771,998

- 10.2 Islamic financing and related assets include Rs.7,735.967 million (31 December 2018: Rs.7,020.606 million) which have been placed under non-performing status as detailed below:

Category of Classification	31 March 2019 (Un-Audited)		31 December 2018 (Audited)	
	Classified Islamic financing and related assets	Provision	Classified Islamic financing and related assets	Provision
	----- (Rupees in '000) -----			
Domestic				
Other assets especially mentioned	103,605	-	70,337	-
Substandard	1,340,848	194,203	895,155	77,599
Doubtful	850,737	167,433	546,398	178,639
Loss	5,440,777	4,356,077	5,508,716	4,357,806
	7,735,967	4,717,713	7,020,606	4,614,044

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

	31 March 2019 (Un-Audited)			31 December 2018 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	4,614,044	145,978	4,760,022	4,202,127	87,086	4,289,213
Charge for the quarter / year	228,432	18,000	246,432	813,543	58,892	872,435
Reversals for the quarter / year	(124,872)	-	(124,872)	(401,540)	-	(401,540)
	103,560	18,000	121,560	412,003	58,892	470,895
Amounts charged off / reversed - agriculture financing	153	-	153	(58)	-	(58)
	103,713	18,000	121,713	411,945	58,892	470,837
Amounts written off against provision	(44)	-	(44)	(28)	-	(28)
Closing balance	4,717,713	163,978	4,881,691	4,614,044	145,978	4,760,022

- 10.3.1 The above provision against non-performing Islamic financing has been computed after considering allowable forced sale value (FSV) of collateral amounting to Rs. 2,124.027 (31 December 2018: Rs. 1,886.235) 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 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. 40.581 million (31 December 2018: Rs. 40.581) million.

	Note	31 March 2019	31 December 2018
		(Un-Audited)	(Audited)
----- (Rupees in '000) -----			
11. FIXED ASSETS			
Capital work-in-progress	11.1	607,620	560,353
Property and equipment		1,758,499	1,750,225
		2,366,119	2,310,578
11.1 Capital work-in-progress			
Civil works		514,274	532,406
Advance to suppliers		93,346	27,947
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		607,620	560,353

11.2 Additions to fixed assets

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

Capital work-in-progress

96,934 45,680

Property and equipment

Building on leasehold land

30,871 258

Furniture and fixture

1,987 113

Electrical office and computer equipment

19,059 29,658

51,917 30,029

Total

148,851 75,709

11.3 Disposal of fixed assets

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

Furniture and fixture

151 -

Electrical office and computer equipment

113 70

Vehicles

- 12,079

Total

264 12,149

12 INTANGIBLE ASSETS

Computer software and core deposits

790,245 793,599

Brand

383,145 383,145

Goodwill

396,117 396,117

1,569,507 1,572,861

12.1 Additions to intangible assets

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

Directly purchased

43,547 5,526

31 March 31 December
2019 2018
---- (Rupees in '000) ----
(Un-Audited) (Audited)

31 March 31 March
2019 2018
---- (Rupees in '000) ----

	Note	31 March 2019 ----- (Rupees in '000) ----- (Un-Audited)	31 December 2018 ----- (Rupees in '000) ----- (Audited)
13. DEFERRED TAX ASSETS			
Deductible Temporary Differences on:			
- Tax losses carried forward		2,051,029	1,971,051
- Minimum tax		539,701	504,423
- Post retirement employee benefits		9,542	9,542
- Deficit on revaluation of investments		33,755	-
- Provision against assets		928,805	1,067,614
		<u>3,562,832</u>	<u>3,552,630</u>
Taxable Temporary Differences on:			
- Surplus on revaluation of investments		-	(2,866)
- Surplus on revaluation of non-banking assets - net of tax effect of incremental depreciation transferred to retained earning		(179,569)	(179,569)
- Accelerated tax depreciation		(137,253)	(131,286)
		<u>(316,822)</u>	<u>(313,721)</u>
		<u>3,246,010</u>	<u>3,238,909</u>
14. OTHER ASSETS			
Profit / return accrued in local currency		2,574,643	2,222,222
Profit / return accrued in foreign currency		26,209	15,330
Advances, deposits, advance rent and other prepayments		778,814	676,239
Advance taxation (payments less provisions)		293,861	314,565
Receivable in respect of defined benefit plan		21,897	21,897
Receivable against sale of shares		-	8,980
Non-banking assets acquired in satisfaction of claims		1,655,225	1,661,527
Branch adjustment account		62,170	64,890
Unrealised gain on re-measurement of forward exchange contracts		195,669	204,872
Stamps and stationery		4,657	4,925
Acceptances		4,539,251	3,737,369
Others		248,100	248,218
		<u>10,400,496</u>	<u>9,181,034</u>
Less: Provision held against other assets	14.2	(146,140)	(148,305)
Other assets (net of provision)		<u>10,254,356</u>	<u>9,032,729</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		511,577	511,691
Other assets - total		<u>10,765,933</u>	<u>9,544,420</u>
		31 March 2019 ----- (Rupees in '000) ----- (Un-Audited)	31 December 2018 ----- (Rupees in '000) ----- (Audited)
14.2 Provision held against other assets			
Non-performing receivables		145,894	148,059
Others		246	246
		<u>146,140</u>	<u>148,305</u>
15. BILLS PAYABLE			
In Pakistan		3,846,727	3,697,477
Outside Pakistan		-	-
		<u>3,846,727</u>	<u>3,697,477</u>
16. DUE TO FINANCIAL INSTITUTIONS			
Secured			
Borrowings from State Bank of Pakistan Under export refinance scheme	16.1	3,459,153	3,703,399
Unsecured			
Borrowing		2,100,000	-
Overdrawn nostro accounts		18,492	132,623
		<u>2,118,492</u>	<u>132,623</u>
		<u>5,577,645</u>	<u>3,836,022</u>

16.1 The range of profit rates on these borrowings is 1.0% to 2.0% (31 December 2018: 1.0% to 2.0%) per annum. The maximum limit approved by SBP to the Bank under Islamic Export Refinance Scheme is Rs.4.65 (31 December 2018: Rs.4.65) billion. The above contracts will mature starting from 31 March 2019 to 25 September 2019.

17. DEPOSITS AND OTHER ACCOUNTS

	31 March 2019 (Un-Audited)			31 December 2018 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits	19,899,005	4,069,918	23,968,923	20,537,128	3,462,711	23,999,839
Savings deposits	38,836,304	4,564,690	43,400,994	40,960,738	4,852,170	45,812,908
Term deposits	22,271,757	979,986	23,251,743	19,551,887	927,952	20,479,839
Others	2,104,757	-	2,104,757	2,035,387	-	2,035,387
	83,111,823	9,614,594	92,726,417	83,085,140	9,242,833	92,327,973
Financial Institutions						
Current deposits	42,620	56,627	99,247	30,254	19,405	49,659
Savings deposits	4,031,123	641	4,031,764	6,042,698	631	6,043,329
Term deposits	1,166,279	-	1,166,279	1,494,050	-	1,494,050
	5,240,022	57,268	5,297,290	7,567,002	20,036	7,587,038
	88,351,845	9,671,862	98,023,707	90,652,142	9,262,869	99,915,011

	Note	31 March 2019	31 December 2018
		---- (Rupees in '000) ----	
		(Un-Audited)	(Audited)
18. SUBORDINATED DEBT			
Tier II mudaraba sukuk - first issue	18.1	714,278	857,136
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
		3,603,519	3,746,377

18.1 During 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 During 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	August 22, 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 During December 2018, the Bank issued regulatory Shariah compliant unsecured, subordinated privately placed Additional Tier-I (ADT-1) Capital based on Mudaraba of Rs.1.4 Billion as instrument of redeemable capital under section 66 of the Companies Act, 2017. 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 in arrears.
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.

31 March	31 December
2019	2018
----- (Rupees in '000) -----	
(Un-Audited)	(Audited)

19. OTHER LIABILITIES

Return on deposits and borrowings:		
- payable in local currency	711,488	614,569
- payable in foreign currencies	6,347	4,334
Accrued expenses	396,325	325,160
Advance payments	413,177	636,790
Charity fund balance	56,997	46,736
Security deposits against ijarah	745,188	822,737
Payable against purchase of listed shares	47,721	66,273
Takaful payable against ijarah and diminishing musharakah assets	265,432	254,756
Acceptances	4,539,251	3,737,369
Others	427,829	404,345
	7,609,755	6,913,069

		31 March 2019	31 December 2018
Note		----- (Rupees in '000) ----- (Un-Audited)	----- (Audited)
20. SURPLUS ON REVALUATION OF ASSETS			
Surplus / (deficit) on revaluation of:			
- Available for sale securities	9.1	(85,091)	31,361
- Non-banking assets acquired in satisfaction of claims		511,926	512,040
		426,835	543,401
Deferred tax on surplus / (deficit) on revaluation of:			
- Available for sale securities		29,782	(10,976)
- Non-banking assets acquired in satisfaction of claims		(179,173)	(179,213)
		(149,391)	(190,189)
		277,444	353,212
21. CONTINGENCIES AND COMMITMENTS			
- Guarantees	21.1	6,799,885	6,102,780
- Commitments	21.2	22,042,335	24,431,754
		28,842,220	30,534,534
21.1 Guarantees:			
Financial guarantees		243,587	243,587
Performance guarantees		4,349,540	4,203,683
Other guarantees		2,206,758	1,655,510
		6,799,885	6,102,780
21.2 Commitments:			
Documentary credits and short-term trade-related transactions - letters of credit		5,997,995	6,681,946
Commitments in respect of forward foreign exchange contracts	21.2.1	16,030,155	17,738,138
Commitments for acquisition of operating fixed assets		14,185	11,670
		22,042,335	24,431,754

	31 March 2019 ---- (Rupees in '000) ---- (Un-Audited)	31 December 2018 (Audited)
21.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	10,235,909	10,892,346
Sale	5,794,246	6,845,792
	16,030,155	17,738,138
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 2018.		
	Quarter ended	
	31 March 2019	31 March 2018
	---- (Rupees in '000) ----	
22 PROFIT / RETURN EARNED ON ISLAMIC FINANCING AND RELATED ASSETS, INVESTMENTS AND PLACEMENTS		
On:		
- Islamic financing and related assets	1,983,096	1,400,459
- Investments	471,048	256,197
- Due from financial institutions	87,605	74,849
- Balances with banks	470	7,509
	2,542,219	1,739,014
23 RETURN ON DEPOSITS AND OTHER DUES EXPENSED		
Deposits	1,123,970	710,991
Borrowings	41,088	22,729
Subordinated debt	104,742	46,709
On export refinance under Islamic scheme	18,615	16,227
	1,288,415	796,656
24 FEE & COMMISSION INCOME		
Branch banking customer fees	29,889	21,989
Consumer finance related fees	24,300	16,934
Debit card related fees and income	16,781	13,718
Investment banking fees	33,984	42,105
Commission on trade	56,215	53,916
Commission on guarantees	22,200	9,964
Commission on cash management	361	679
Commission on remittances including home remittances	2,323	1,632
Commission on bancatakaful	9,578	5,545
Others	7,418	1,297
	203,049	167,779

		Quarter ended	
		31 March 2019	31 March 2018
		----- (Rupees in '000) -----	
25	GAIN ON SECURITIES		
	Realised	11,927	18,082
	Unrealised - held for trading	11,822	(702)
		<u>23,749</u>	<u>17,380</u>
25.1	Realised gain / (loss) on:		
	Federal Government securities	(672)	279
	Shares	12,599	17,803
		<u>11,927</u>	<u>18,082</u>
26	OTHER INCOME		
	Rent on property	388	194
	Gain on sale of fixed assets-net	1,269	89
		<u>1,657</u>	<u>283</u>
27	OPERATING EXPENSES		
	Compensation expense		
	Salaries, allowances, etc.	486,682	444,639
	Charge for defined benefit / contribution plan and other benefits	33,748	29,872
		<u>520,430</u>	<u>474,511</u>
	Property expense		
	Rent & taxes	175,534	178,818
	Insurance	10,227	8,109
	Utilities	35,046	31,103
	Security (including guards)	49,762	52,814
	Repair and maintenance (including janitorial charges)	21,893	20,755
	Depreciation	16,560	19,416
	Depreciation - non banking assets	6,417	6,417
	Others	1,887	1,938
		<u>317,326</u>	<u>319,370</u>
	Information technology expenses		
	Software maintenance	34,574	47,672
	Hardware maintenance	15,484	16,441
	Depreciation and amortisation	17,872	14,251
	Network charges	16,101	17,981
	Others	9,240	7,155
		<u>93,271</u>	<u>103,500</u>
	Other operating expenses		
	Directors' fees and allowances	13,954	13,337
	Fees and allowances to Shariah Board	1,056	838
	Legal and professional charges	25,590	16,512
	Outsourced services costs	35,927	38,618
	Travelling and conveyance	7,150	8,734
	NIFT clearing charges	3,316	3,696
	Depreciation	23,145	33,849
	Amortization	32,788	32,790
	Takaful and registration expenses	16,576	27,360
	Training and development	5,069	3,200
	Postage and courier charges	4,445	5,008
	Communication	10,291	13,313
	Stationery and printing	19,395	22,436
	Marketing, advertisement and publicity	9,935	9,573
	Repair and maintenance	11,101	8,598
	Auditors' remuneration	3,000	4,165
	Depositor's protection	22,589	-
	Brokerage, commission and bank charges	51,152	32,605
	Others	18,855	12,859
		<u>315,334</u>	<u>287,491</u>
		<u>1,246,361</u>	<u>1,184,872</u>

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

	Note	Quarter ended	
		2019	2018
		---- (Rupees in '000) ----	
28 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		189	20
29 PROVISIONS AND WRITE OFFS - NET			
Provisions for diminution in value of investments	9.3.1	38,063	6,343
Provision against non-performing Islamic financing and related assets	10.3	121,713	363,283
		<u>159,776</u>	<u>369,626</u>
30 TAXATION			
Current		(35,278)	(25,056)
Deferred		(33,656)	151,072
		<u>(68,934)</u>	<u>126,016</u>
31 BASIC AND DILUTED PROFIT (LOSS) PER SHARE			
Profit / (loss) after taxation for the quarter		<u>70,381</u>	<u>(221,362)</u>
		--- Number of shares ---	
Weighted average number of ordinary shares		<u>1,373,962,760</u>	<u>1,373,962,760</u>
Basic / diluted profit / (loss) per share - Rupee		<u>0.05</u>	<u>(0.16)</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 2019 (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	-	16,507,796	-	16,507,796
Shares	889,108	-	-	889,108
Foreign Securities	2,344,218	-	-	2,344,218
	<u>3,233,326</u>	<u>16,507,796</u>	<u>-</u>	<u>19,741,122</u>
Financial assets - disclosed but not measured at fair value				
Cash and balances with treasury banks	-	-	-	10,216,091
Balances with other banks	-	-	-	623,983
Due from financial institutions	-	-	-	1,729,581
Investments	-	-	-	5,234,066
Islamic financing and related assets	-	-	-	73,868,711
Other assets	-	-	-	7,495,801
	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,168,233</u>
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	10,235,909	-	10,235,909
Forward sale of foreign exchange	-	5,794,246	-	5,794,246
----- (Rupees in '000) -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	16,982,204	-	16,982,204
Shares	936,837	-	-	936,837
Foreign Securities	2,274,304	-	-	2,274,304
	<u>3,211,141</u>	<u>16,982,204</u>	<u>-</u>	<u>20,193,345</u>
Financial assets - disclosed but not measured at fair value				
Cash and balances with treasury banks	-	-	-	14,934,799
Balances with other banks	-	-	-	854,171
Due from financial institutions	-	-	-	-
Investments	-	-	-	1,151,980
Islamic financing and related assets	-	-	-	75,011,976
Other assets	-	-	-	6,347,786
	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,300,712</u>
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	10,892,346	-	10,892,346
Forward sale of foreign exchange	-	6,845,792	-	6,845,792

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

32.2 Fair value of non-financial assets

	31 March 2019 (Un-Audited)			Total
	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----				
Non banking assets acquired in satisfaction of claims	-	-	2,166,802	2,166,802
----- (Rupees in '000) -----				
31 December 2018 (Audited)				
----- (Rupees in '000) -----				
Non banking assets acquired in satisfaction of claims	-	-	2,173,218	2,173,218

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

Particulars	Valuation approach and input used
Government of Pakistan - Ijarah sukuk	The fair value of GOP Ijarah Sukuks are derived using PKISRV rates. The PKISRV rates are announced by Financial Market Association (FMA) through Reuters. The rates announced are simple average of quotes received from approved dealers / brokers.
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 2019 (Un-Audited)					
	Corporate Banking	Commercial & SME Banking	Retail Banking	Trading & Sales	Others	Total
	(Rupees in '000)					
Profit and Loss						
Net profit / return earned	1,034,603	745,041	(760,898)	335,500	(100,442)	1,253,804
Inter segment revenue - net	-	140,626	1,667,468	-	200,211	2,008,305
Other income	95,767	52,140	62,810	52,494	28,626	291,837
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 March 2019 (Un-Audited)					
	Corporate Banking	Commercial & SME Banking	Retail Banking	Trading & Sales	Others	Total
	(Rupees in '000)					
Statement of Financial Position						
Cash and balances with treasury banks	-	-	10,216,091	-	-	10,216,091
Balances with other banks	-	-	-	623,983	-	623,983
Due from financial institutions	-	-	-	1,729,581	-	1,729,581
Investments	6,635,241	-	-	18,339,947	-	24,975,188
Net inter segment lending	-	-	64,770,827	-	6,321,731	71,092,558
Islamic financing and related assets - performing	39,737,438	29,287,213	-	426,344	1,399,463	70,850,458
- non-performing	1,378,826	1,603,653	-	-	35,774	3,018,253
Others	8,304,934	1,272,899	866,445	685,105	6,818,186	17,947,569
Total assets	56,056,439	32,163,765	75,853,363	21,804,960	14,575,154	200,453,681
Bills payable	-	-	3,846,727	-	-	3,846,727
Due to financial institutions	3,061,753	397,400	-	2,118,492	-	5,577,645
Subordinated debt	-	-	-	-	3,603,519	3,603,519
Deposits and other accounts	5,005,644	22,668,965	70,349,098	-	-	98,023,707
Net inter segment borrowing	43,849,758	7,383,966	-	19,858,834	-	71,092,558
Others	4,188,624	1,430,135	1,329,637	-	661,359	7,609,755
Total liabilities	56,105,779	31,880,466	75,525,462	21,977,326	4,264,878	189,753,911
Equity	(49,340)	283,299	357,901	(172,366)	10,280,276	10,699,770
Total equity and liabilities	56,056,439	32,163,765	75,883,363	21,804,960	14,545,154	200,453,681
Contingencies and commitments	6,625,619	6,172,261	14,185	16,030,155	230,581	29,072,801
	31 March 2018 (Un-Audited)					
	Corporate Banking	Commercial & SME Banking	Retail Banking	Trading & Sales	Others	Total
	(Rupees in '000)					
Profit and Loss						
Net profit / return earned	807,707	276,853	(253,110)	144,688	(33,780)	942,358
Inter segment revenue - net	-	-	1,258,046	-	118,143	1,376,189
Other income	83,038	24,289	51,392	92,065	13,998	264,782
Total Income	890,745	301,142	1,056,328	236,753	98,361	2,583,329
Segment direct expenses	(42,273)	(31,836)	(636,068)	(13,195)	(461,520)	(1,184,892)
Inter segment expense allocation	(780,332)	(210,256)	(224,972)	(160,629)	-	(1,376,189)
Total expenses	(822,605)	(242,092)	(861,040)	(173,824)	(461,520)	(2,561,081)
Provisions	(176,991)	(151,730)	(40,905)	-	-	(369,626)
Profit / (loss) before tax	(108,851)	(92,680)	154,383	62,929	(363,159)	(347,378)
	31 December 2018 (Audited)					
	Corporate Banking	Commercial & SME Banking	Retail Banking	Trading & Sales	Others	Total
	(Rupees in '000)					
Statement of Financial Position						
Cash and balances with treasury banks	-	-	14,934,799	-	-	14,934,799
Balances with other banks	-	-	-	854,171	-	854,171
Due from financial institutions	-	-	-	-	-	-
Investments	6,377,963	-	-	14,967,362	-	21,345,325
Net inter segment lending	-	-	63,473,277	-	4,107,365	67,580,642
Islamic financing and related assets - performing	38,634,445	17,474,001	14,810,307	505,378	1,181,283	72,605,414
- non-performing	971,789	1,156,508	93,431	-	184,834	2,406,562
Others	5,503,025	1,018,787	1,096,898	210,798	8,837,260	16,666,768
Total assets	51,487,222	19,649,296	94,408,712	16,537,709	14,310,742	196,393,681
Bills payable	-	-	3,697,477	-	-	3,697,477
Due to financial institutions	3,432,199	271,200	-	132,623	-	3,836,022
Subordinated debt	-	-	-	-	3,746,377	3,746,377
Deposits and other accounts	3,840,499	3,368,473	87,560,819	5,145,220	-	99,915,011
Net inter segment borrowing	40,878,365	15,559,117	-	11,143,160	-	67,580,642
Others	3,504,815	566,775	1,702,610	4,820	1,134,049	6,913,069
Total liabilities	51,655,878	19,765,565	92,960,906	16,425,823	4,880,426	185,688,598
Equity	(168,656)	(116,269)	1,447,806	111,886	9,430,316	10,705,083
Total equity and liabilities	51,487,222	19,649,296	94,408,712	16,537,709	14,310,742	196,393,681
Contingencies and commitments	7,171,694	5,613,032	11,670	17,738,138	230,581	30,765,115

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 2019 (Un-Audited)					31 December 2018 (Audited)				
	Parent	Directors	Key management personnel	Other related parties	Total	Parent	Directors	Key management personnel	Other related parties	Total
Note	(Rupees in '000)									
Investments										
Investments	-	-	-	52,200	52,200	-	-	-	52,200	52,200
Provision for diminution in value of investments	-	-	-	22,613	22,613	-	-	-	22,613	22,613
Islamic financing and related assets										
Opening balance	-	-	266,572	30,122	296,694	-	-	238,894	90,366	329,260
Addition during the quarter / year	-	-	8,785	-	8,785	-	-	60,600	-	60,600
Repaid during the quarter / year	-	-	(7,868)	-	(7,868)	-	-	(37,697)	(60,244)	(97,941)
Transfer in/(out)	-	-	(15,988)	-	(15,988)	-	-	4,775	-	4,775
Closing balance	-	-	251,501	30,122	281,623	-	-	266,572	30,122	296,694
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	-	-	255	946	1,201	-	-	240	87	327
Receivable in respect of defined benefit plan	-	-	-	21,897	21,897	-	-	-	21,897	21,897

	31 March 2019 (Un-Audited)					31 December 2018 (Audited)				
	Parent	Directors	Key management personnel	Other related parties	Total	Parent	Directors	Key management personnel	Other related parties	Total
Subordinated debt	(Rupees in '000)									
Opening balance	1,389,241	-	-	-	1,389,241	-	-	-	5,714	5,714
Issued during the quarter / year	-	-	-	-	-	1,389,241	-	-	-	1,389,241
Redemption during the quarter / year	-	-	-	-	-	-	-	-	(5,714)	(5,714)
Closing balance	1,389,241	-	-	-	1,389,241	1,389,241	-	-	-	1,389,241
Deposits and other accounts										
Opening balance	5,937	211,722	27,874	784,718	1,030,251	6,973	47,405	197,466	764,824	1,016,668
Received during the quarter / year	-	135,560	63,729	799,974	999,263	4	23,193	346,575	606,922	976,694
Withdrawn during the quarter / year	-	(148,735)	(58,871)	(664,810)	(872,416)	(1,040)	(409,051)	(372,372)	(581,076)	(1,363,539)
Transfer in/(out)	-	-	(200)	-	(200)	-	550,175	(143,795)	(5,952)	400,428
Closing balance	5,937	198,547	32,532	919,882	1,156,898	5,937	211,722	27,874	784,718	1,030,251
Other Liabilities										
Return payable on deposits	-	1,100	74	3,746	4,920	-	1,132	100	8,834	10,066
Return payable on Sub-ordinated debt	50,278	-	-	-	50,278	3,144	-	-	-	3,144
Other liabilities	-	-	-	657	657	-	-	-	657	657
Non-funded exposure	-	-	-	26,732	26,732	-	-	-	18,051	18,051

	Quarter ended 31 March 2019 (Un-Audited)					Quarter ended 31 March 2018 (Un-Audited)				
	Parent	Directors	Key management personnel	Other related parties	Total	Parent	Directors	Key management personnel	Other related parties	Total
Related party transactions Income	(Rupees in '000)									
Profit earned on Islamic financing and related assets	-	-	2,422	869	3,291	-	-	2,086	1,601	3,687
Revenue earned from non funded exposure	-	-	-	42	42	-	-	-	-	-
Expense										
Return on deposits expenses	-	3,958	192	19,972	24,122	-	2,322	649	8,390	11,361
Salaries, allowances and benefits	-	-	48,159	-	48,159	-	-	47,994	-	47,994
Director fee and other allowances	-	13,954	-	-	13,954	-	13,337	-	-	13,337
Shariah Board fee	-	-	-	1,056	1,056	-	-	-	838	838
Contribution to defined contribution plan	-	-	-	18,618	18,618	-	-	-	17,513	17,513
Contribution to defined benefit plan	-	-	-	15,130	15,130	-	-	-	12,359	12,359
Return on Sub-ordinated loan	47,134	-	-	-	47,134	-	-	-	21	21

31 March 2019 (Un-Audited) 31 December 2018 (Audited)
----- (Rupees in '000) -----

35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)	<u>10,248,902</u>	<u>10,192,523</u>
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	<u>6,231,516</u>	<u>6,182,404</u>
Eligible Additional Tier 1 (ADT 1) Capital	<u>1,184,545</u>	<u>1,192,947</u>
Total Eligible Tier 1 Capital	<u>7,416,061</u>	<u>7,375,351</u>
Eligible Tier 2 Capital	<u>1,974,242</u>	<u>1,988,245</u>
Total Eligible Capital (Tier 1 + Tier 2)	<u>9,390,303</u>	<u>9,363,596</u>

Risk Weighted Assets (RWAs):

Credit Risk	<u>68,010,292</u>	<u>68,803,363</u>
Market Risk	<u>1,929,068</u>	<u>2,069,243</u>
Operational Risk	<u>8,657,185</u>	<u>8,657,185</u>
Total	<u>78,596,545</u>	<u>79,529,791</u>

Common Equity Tier 1 Capital Adequacy ratio	<u>7.93%</u>	<u>7.77%</u>
Tier 1 Capital Adequacy Ratio	<u>9.44%</u>	<u>9.27%</u>
Total Capital Adequacy Ratio	<u>11.95%</u>	<u>11.77%</u>

Leverage Ratio (LR):

Eligible Tier-1 Capital	<u>7,416,061</u>	<u>7,375,351</u>
Total Exposures	<u>142,254,819</u>	<u>137,949,522</u>
Leverage Ratio	<u>5.21%</u>	<u>5.35%</u>

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	<u>28,149,332</u>	<u>30,686,016</u>
Total Net Cash Outflow	<u>25,482,616</u>	<u>27,670,494</u>
Liquidity Coverage Ratio	<u>110.46%</u>	<u>110.90%</u>

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	<u>87,460,114</u>	<u>87,255,154</u>
Total Required Stable Funding	<u>71,733,263</u>	<u>71,457,322</u>
Net Stable Funding Ratio	<u>121.92%</u>	<u>122.11%</u>

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

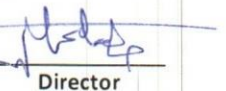
These financial statements were authorized for issue on 1st May 2019 by the Board of Directors of the Bank.


Chief Executive Officer


Chief Financial Officer


Director


Director


Director