ALBARAKA BANK (PAKISTAN) LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

	Note	30 September 2018 (Rupees	31 December 2017 '000)
		(Un-Audited)	(Audited)
ASSETS		64 0.54	A4 441
Cash and balances with treasury banks		13,446,961	8,915,585
Balances with other banks		457,724	2,932,165
Due from financial institutions	6	2,000,000	5,095,411
Investments	7	21,345,869	19,393,486
Islamic financing and related assets	8	72,735,798	71,203,056
Operating fixed assets	9	3,946,623	4,082,153
Deferred tax assets		3,472,041	3,238,985
Other assets		5,748,600	5,799,760
		123,153,616	120,660,601
LIABILITIES			
Bills payable		1,421,426	1,691,141
Due to financial institutions		1,994,363	3,209,400
Deposits and other accounts	10	103,747,922	98,589,904
Sub-ordinated loans	11	2,357,136	2,642,852
Deferred tax liabilities		9.5	75
Other liabilities		3,175,999	3,765,083
		112,696,846	109,898,380
NET ASSETS		10,456,770	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		(2,954,397)	(2,675,723)
		10,311,813	10,590,487
Surplus on revaluation of assets - net of tax		144,957	171,734
		10,456,770	10,762,221

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

Chairman Chief Executive Officer

CONTINGENCIES AND COMMITMENTS

1

12

Director

ALBARAKA BANK (PAKISTAN) LIMITED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE PERIOD AND QUARTER ENDED 30 SEPTEMBER 2018

			Nine months ended Quarter end			r ended
			30 September	30 September	30 September	30 September
			2018	2017	2018	2017
		Note		(Rupee	s '000)	
Profit / return	earned on Islamic financing and related assets,					
	ts and placements	12	F 720 264	E 014 C24	2 000 704	4 675 042
	osits and other dues expensed	13	5,720,264	5,014,634	2,060,701	1,675,813
			(2,667,351)	(2,279,550)	(983,514)	(761,421)
Net spread ea	rned		3,052,913	2,735,084	1,077,187	914,392
	nst non-performing Islamic financing and related assets	8.2	(601,361)	(671,722)	(132,273)	(800,826)
Provision for d	iminution in the value of investments		(132,740)	(121,879)	(23,757)	(88,568)
			(734,101)	(793,601)	(156,030)	(889,394)
Net spread aft	er provisions		2,318,812	1,941,483	921,157	24,998
Other income						
Fee, commission	on and brokerage income		503,632	488,341	139,646	142,435
Dividend incon			25,115	22,316	9,310	3,100
	lealing in foreign currencies		284,204	136,222		
Gain on sale of			1295 (0.2910), 0.34	100000000000000000000000000000000000000	117,171	56,942
	s on revaluation of investments classified as held-for-trading		24,013	121,472	1,970	(31,277)
	s on revaluation of investments classified as neig-for-trading	192027	(4,710)	(657)	(2,737)	838
Other income		14	22,581	37,313	13,325	1,172
Total other inc	ome		854,835	805,007	278,685	173,210
Other expense	es s		3,173,647	2,746,490	1,199,842	198,208
Administrative			(3,579,045)	(3,651,531)	/1 202 707)	(1 211 466)
Other provisio	and the second s			ACCES TO THE PARTY OF THE PARTY	(1,203,787)	(1,211,466)
	ns / write on	45	(4,112)	(3,785)	20	(3,785)
Other charges		15	(5,897)	(24,287)		2,120
Total other exp	penses		(3,589,054)	(3,679,603)	(1,203,767)	(1,213,131)
Extra ordinary	/ unusual items		(415,407)	(933,113)	(3,925)	(1,014,923)
Loss before ta			(415,407)	(933,113)	(3,925)	(1,014,923)
Taxation	- Current					
Taxation			(82,248)	(62,817)	(29,277)	(23,100)
	- Prior year		× ×	(*)		-
	- Deferred		218,759	395,793	24,471	385,563
			136,511	332,976	(4,806)	362,463
Loss after taxa	ition		(278,896)	(600,137)	(8,731)	(652,460)
			Rur	oee	D.	pee
			Kuj		Nu	pec
Loss per share	- basic / diluted		(0.20)	(0.44)	(0.01)	(0.47)
	(.)					
The annexed n	otes from 1 to 19 form an integral part of these condensed interir	m financial sta	atements.			
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NVE	When y Work	//	4 1	V	1	
Chai	irman Chief Executive Officer Director		Director	_	Chief Financial Off	icer
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/			(7.00)			
/		,				

ALBARAKA BANK (PAKISTAN) LIMITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD AND QUARTER ENDED 30 SEPTEMBER 2018

	Nine months ended		Quarte	r ended
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
		(Rupees '000)		
Loss after taxation	(278,896)	(600,137)	(8,731)	(652,460)
Other comprehensive income	€	9	ē	123
Comprehensive loss transferred to equity	(278,896)	(600,137)	(8,731)	(652,460)
Components of comprehensive income not reflected in equity				
Deficit on revaluation of available-for-sale securities - net of tax ${\bf *}$	(26,350)	(199,898)	(112,175)	(106,585)
Movement in revaluation of non-banking assets - net of tax	(427)	(12,276)	(74)	(73)
Total comprehensive loss	(305,673)	(812,311)	(120,980)	(759,118)

^{*} 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.

Chairman Chief Executive Officer

Director

ALBARAKA BANK (PAKISTAN) LIMITED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED 30 SEPTEMBER 2018

		Nine mont	ths ended
		30 September 2018	30 September 2017
	Note	(Rupee	s '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(415,407)	(933,113)
Dividend income		(25,115)	(22,316)
Sindella mosme		(440,522)	(955,429)
Adjustments for non-cash and other items:			
Depreciation		146,906	172,190
Amortisation		139,865	87,403
Depreciation - non banking assets		19,251	19,251
Provision against non-performing Islamic financing and related assets	8.2	601,361	671,722
Provision for diminution in the value of investments		132,740	121,879
Unrealized loss on revaluation of investments classified as held for trading		4,710	657
Other provisions / write offs		4,112	3,785
Gain on sale of operating fixed assets		(37)	(2,380)
		1,048,908	1,074,507
		608,386	119,078
(Increase) / decrease in operating assets			(2.002.700)
Due from financial institutions		3,095,411	(3,002,708)
Islamic financing and related assets		(2,134,103)	466,459
Other assets		22,228 983,536	(194,454)
ncrease / (decrease) in operating liabilities		1	
Bills payable		(269,715)	(59,485
Due to financial institutions		(1,215,037)	(1,375,409)
Deposits and other accounts		5,158,018	(11,887,708)
Other liabilities		(589,084)	(84,311)
		3,084,182	(13,406,913)
Income tax paid		(63,957)	(33,643)
Net cash flow from / (used in) operating activities		4,612,147	(16,052,181
CASH FLOWS FROM INVESTING ACTIVITIES			
Net (investments) / redemptions in available-for-sale investments		(2,094,243)	5,855,523
Net investments in held-for-trading investments		(36,128)	(13,345
Net investments in operating fixed assets		(167,925)	(96,075
Dividend received		16,191	26,864
Proceeds from disposal of operating fixed assets		12,609	6,192
Net cash (used in) / flow from investing activities		(2,269,496)	5,779,159
CASH FLOWS FROM FINANCING ACTIVITIES		(205.745)	(285,716
Repayment of Tier II mudaraba sukuk - first issue		(285,716)	1,500,000
Issuance of Tier II mudaraba sukuk - second issue		(205.716)	1,214,284
Net cash (used in) / flow from financing activities		(285,716)	1,214,26
Net increase / (decrease) in cash and cash equivalents		2,056,935	(9,058,738
Cash and cash equivalents at beginning of the period		11,847,750	19,709,475
		13,904,685	10,650,737

Chief Executive Officer

ALBARAKA BANK (PAKISTAN) LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED 30 SEPTEMBER 2018

Balance as at 01 January 2017 13,739,628 - (632,766) 159,348 (2,281,369) 10,984,841 Profit after taxation for the period Other comprehensive income for the period Total comprehensive income for the period Total comprehensive income for the period Tonon-banking assets - net of tax		Issued, subscribed and paid-up share capital	Advance against issuance of shares	Discount on issuance of shares - net	Statutory Reserve *	Accumulated loss	Total
Profit after taxation for the period Other comprehensive income for the period Total comprehensive loss for the period Total comprehensive income for the period Total comprehensive loss for the period Total comprehensive loss for the period Total comprehensive income for the period Total comprehensive loss for th	Balance as at 01 January 2017	13.739.628	-	35	0		10 984 841
Other comprehensive income for the period -				(002).007	200,010	(2,202,303)	10,504,041
Comprehensive income for the period - - - - - - - - -	Profit after taxation for the period	2400	943	2	-	(600,137)	(600,137)
Transfer from surplus on revaluation of non-banking assets - net of tax	Other comprehensive income for the period	20			-		2 5
Non-banking assets - net of tax	Total comprehensive income for the period	(#)	-	-	((#)	(600,137)	(600,137)
Balance as at 30 September 2017 13,739,628 - (632,766) 159,348 (2,881,285) 10,384,925	Transfer from surplus on revaluation of						
Loss after taxation for the period Other comprehensive loss for the period Total comprehensive loss for the period Transfer from surplus on revaluation of non-banking assets - net of tax Loss after taxation for the period Total comprehensive income for the period Transfer from surplus on revaluation of non-banking assets - net of tax Total comprehensive income for the period Total comprehensive loss for the period Transfer from surplus on revaluation of non-banking assets - net of tax Total comprehensive income for the period Transfer from surplus on revaluation of non-banking assets - net of tax Total comprehensive income for the period Transfer from surplus on revaluation of non-banking assets - net of tax Total comprehensive income for the period Transfer from surplus on revaluation of non-banking assets - net of tax Total comprehensive income for the period Total comprehensive income for the period Transfer from surplus on revaluation of non-banking assets - net of tax Total comprehensive income for the period Total com	non-banking assets - net of tax	42	Y <u>2</u> Y	25		221	221
Other comprehensive loss for the period Total comprehensive loss for the period Transfer from surplus on revaluation of non-banking assets - net of tax Loss after taxation for the period Total comprehensive income for the period Total comprehensive loss for the period Transfer from surplus on revaluation of non-banking assets - net of tax Total comprehensive loss for the period Transfer from surplus on revaluation of non-banking assets - net of tax Total comprehensive loss for the period Transfer from surplus on revaluation of non-banking assets - net of tax Total comprehensive loss for the period Total comprehensive loss for the pe	Balance as at 30 September 2017	13,739,628	17.1	(632,766)	159,348	(2,881,285)	10,384,925
Other comprehensive loss for the period Total comprehensive loss for the period Transfer from surplus on revaluation of non-banking assets - net of tax Loss after taxation for the period Total comprehensive income for the period Total comprehensive loss for the period Transfer from surplus on revaluation of non-banking assets - net of tax Total comprehensive loss for the period Transfer from surplus on revaluation of non-banking assets - net of tax Total comprehensive loss for the period Transfer from surplus on revaluation of non-banking assets - net of tax Total comprehensive loss for the period Total comprehensive loss for the period Total comprehensive loss for the period Transfer from surplus on revaluation of non-banking assets - net of tax Total comprehensive loss for the period Tot	Loss after taxation for the period	-		-		210.699	210,699
Transfer from surplus on revaluation of non-banking assets - net of tax - - - - 74 74 Balance as at 31 December 2017 13,739,628 - (632,766) 159,348 (2,675,723) 10,590,487 Loss after taxation for the period Other comprehensive income for the period Total comprehensive loss for the period Transfer from surplus on revaluation of non-banking assets - net of tax - - - - (278,896) (278,896)	Other comprehensive loss for the period	3 - 0	(5)	1.5	-		- X
Non-banking assets - net of tax	Total comprehensive loss for the period	-	67-6	3578	170	205,488	205,488
Description Section	Transfer from surplus on revaluation of						
Loss after taxation for the period Other comprehensive income for the period Total comprehensive loss for the period Transfer from surplus on revaluation of non-banking assets - net of tax (278,896) (278,896) (278,896) (278,896) (278,896) (278,896) (278,896) (278,896)	non-banking assets - net of tax			(17)	975	74	74
Other comprehensive income for the period	Balance as at 31 December 2017	13,739,628	-	(632,766)	159,348	(2,675,723)	10,590,487
Total comprehensive loss for the period (278,896) Transfer from surplus on revaluation of non-banking assets - net of tax 222 222	Loss after taxation for the period		100	-	8=6	(278,896)	(278,896)
Transfer from surplus on revaluation of non-banking assets - net of tax 222 222	Other comprehensive income for the period	34	- 20	1040		-	
non-banking assets - net of tax 222 222	The state of the second contract and the second contra	_	- 4	16		(278,896)	(278,896)
Balance as at 30 September 2018 13,739,628 - (632,766) 159,348 (2,954,397) 10,311,813	500m : 600m : 1000 [100 - 100 for [100 for 100	2	A <u>P</u> S	E		222	222
	Balance as at 30 September 2018	13,739,628	-	(632,766)	159,348	(2,954,397)	10,311,813

^{*} 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.

Chief Executive Officer

5

ALBARAKA BANK (PAKISTAN) LIMITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 30 SEPTEMBER 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 subbranches (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 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'.

1.2 As at 30 September 2018, the Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) stood at Rs.10.15 billion and 10.03% 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 condesed 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 inerim 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.

8,160 569,832

1,235,413

5,713,369

1,265,173

75,492,269

(4,202,127)

(4,289,213)

71,203,056

(87,086)

30,800

43,625

6,626

81

638,448

1,606,123

6,903,808

90,678

65,837

4,569

48

1,310,810

77,626,372

(4,752,476)

(4,890,574)

(138,098)

72,735,798

8.2

31 December 2017 (Audited)

		Note	30 September 2018 (Rupee	31 December 2017 s '000)
	DUE FROM FINANCIAL INSTITUTIONS		(Un-Audited)	(Audited)
	- Bai muajjal - Lending to financial institutions	6.1	2,000,000	5,095,411
			2,000,000	5,095,411
1	The expected return on these placements is 7.99/ (31 December 2017, Nill) and the second of the seco			

30 September 2018 (Un-Audited)

6.1 The expected return on these placements is 7.8% (31 December 2017: Nil) per annum. These will mature by October 2018.

-	IAN INCREASED IN	
7.	INVESTMENTS	ż

6.

- Salam inventory

- Istasna finance

- Qarz-e-hasna

- Staff financing

- Financing against bills

- Advance against istasna - Istasna inventory

- Rahnuma travel services

- Advance against staff financing

Islamic financing and related assets - gross

Provisions for non-performing financing - specific

Islamic financing and related assets - net of provisions

- general

			30 Septem	nber 2018 (Un	-Audited)	31 December 2017		Audited)
		Note	Held by Bank	Given as Collateral	Total	Held by Bank pees in '000	Given as Collateral	Total
		Note			ки	pees in '000		
	Held for trading securities							
	Ordinary shares of listed companies		63,165	553	63,165	33,135	0.00	33,135
	Available for sale securities							
	Sukuk certificates	7.1	20,506,602	GES: 1	20,506,602	18,499,630	200	18,499,630
	Ordinary shares of listed companies		1,356,257		1,356,257	1,272,585	100	See South of the Section In
	Ordinary shares of unlisted companies		55,799	828	55,799	52,200		1,272,585 52,200
	Units of open-end mutual funds		69,408		69,408	69,408		20.000000000
		21	21,988,066		21,988,066	19,893,823		19,893,823
	Investments at cost		22,051,231	(147)	22,051,231	19,926,958	047	19,926,958
	Less: Provisions for diminution in the				22,031,231	13,320,338	N .	19,920,930
	value of investments		(411,510)		(411,510)	(278,770)	843	(278,770)
	Investments (net of provisions)		21,639,721	*	21,639,721	19,648,188	154	19,648,188
	Deficit on revaluation of investments							
	classified of available for sale securities		(289,142)	750	(289,142)	(248,604)	1.5	(248,604
	Deficit on revaluation of investments classified as held for trading securities				PUTEWET	250 2000		1900000
	classified as field for trading securities		(4,710)	(5)	(4,710)	(6,098)	(140)	(6,098)
	Total investments at market value	89	21,345,869	-	21,345,869	19,393,486	100	19,393,486
7.1	Sukuk certificates include Government of Pakistan Ijarah sukuk a	mounting	to Rs. 10.752 (31 December	2017: Rs 10 29	9) million		
	- Complete Approximation (Complete Approximation Complete Approximation Complete Approximation Complete Approximation (Complete Approximation Complete Approxim					, , , , , , , , , , , , , , , , , , , ,	30 September	31 December
							2018	2017
						Note	(Rupee:	s '000)
8.	ISLAMIC FINANCING AND RELATED ASSETS						(Un-Audited)	(Audited)
0.	ISLANIC FINANCING AND REDATED ASSETS							
	In Pakistan							
	Islamic financing and related assets - Murabaha finance							
	- Advance against murabaha finance						9,466,642	9,603,633
							1,293,707	
								2,101,551
	- Export refinance under Islamic scheme						1,024,602	2,101,551 1,947,276
	 Advance against export refinance under Islamic scheme 						2,201,509	2,101,551 1,947,276 1,772,129
	 Advance against export refinance under Islamic scheme Ijarah assets under IFAS 2 						2,201,509 1,815,199	2,101,551 1,947,276 1,772,129 2,643,116
	 Advance against export refinance under Islamic scheme Ijarah assets under IFAS 2 Net investment in ijarah 						2,201,509 1,815,199 112,493	2,101,551 1,947,276 1,772,129 2,643,116 112,493
	 Advance against export refinance under Islamic scheme Ijarah assets under IFAS 2 Net investment in ijarah Advance against ijarah 				**		2,201,509 1,815,199 112,493 4,789	2,101,551 1,947,276 1,772,129 2,643,116 112,493 19,974
	 Advance against export refinance under Islamic scheme Ijarah assets under IFAS 2 Net investment in ijarah Advance against ijarah Diminishing musharaka financing 						2,201,509 1,815,199 112,493 4,789 36,803,774	2,101,551 1,947,276 1,772,129 2,643,116 112,493 19,974 36,142,499
	- Advance against export refinance under Islamic scheme - Ijarah assets under IFAS 2 - Net investment in ijarah - Advance against ijarah - Diminishing musharaka financing - Advance against diminishing musharaka finance				yea		2,201,509 1,815,199 112,493 4,789 36,803,774 1,029,016	2,101,551 1,947,276 1,772,129 2,643,116 112,493 19,974 36,142,499 991,561
	- Advance against export refinance under Islamic scheme - Ijarah assets under IFAS 2 - Net investment in ijarah - Advance against ijarah - Diminishing musharaka financing - Advance against diminishing musharaka finance - Running musharaka				-		2,201,509 1,815,199 112,493 4,789 36,803,774 1,029,016 150,000	2,101,551 1,947,276 1,772,129 2,643,116 112,493 19,974 36,142,499 991,561 150,000
	- Advance against export refinance under Islamic scheme - Ijarah assets under IFAS 2 - Net investment in ijarah - Advance against ijarah - Diminishing musharaka financing - Advance against diminishing musharaka finance - Running musharaka - Tijarah finance				yea.		2,201,509 1,815,199 112,493 4,789 36,803,774 1,029,016 150,000 1,931,776	2,101,551 1,947,276 1,772,129 2,643,116 112,493 19,974 36,142,499 991,561 150,000 1,378,591
	- Advance against export refinance under Islamic scheme - Ijarah assets under IFAS 2 - Net investment in ijarah - Advance against ijarah - Diminishing musharaka financing - Advance against diminishing musharaka finance - Running musharaka - Tijarah finance - Over due acceptances				***		2,201,509 1,815,199 112,493 4,789 36,803,774 1,029,016 150,000 1,931,776 977,936	2,101,551 1,947,276 1,772,129 2,643,116 112,493 19,974 36,142,499 991,561 150,000 1,378,591 698,722
	- Advance against export refinance under Islamic scheme - Ijarah assets under IFAS 2 - Net investment in ijarah - Advance against ijarah - Diminishing musharaka financing - Advance against diminishing musharaka finance - Running musharaka - Tijarah finance - Over due acceptances - Payment against guarantee				pre		2,201,509 1,815,199 112,493 4,789 36,803,774 1,029,016 150,000 1,931,776 977,936 62,796	2,101,551 1,947,276 1,772,129 2,643,116 112,493 19,974 36,142,499 991,561 150,000 1,378,591 698,722 62,796
	- Advance against export refinance under Islamic scheme - Ijarah assets under IFAS 2 - Net investment in ijarah - Advance against ijarah - Diminishing musharaka financing - Advance against diminishing musharaka finance - Running musharaka - Tijarah finance - Over due acceptances - Payment against guarantee - Payment against documents				-		2,201,509 1,815,199 112,493 4,789 36,803,774 1,029,016 150,000 1,931,776 977,936 62,796 61,423	2,101,551 1,947,276 1,772,129 2,643,116 112,493 19,974 36,142,499 991,561 150,000 1,378,591 698,722 62,796 4,701
	- Advance against export refinance under Islamic scheme - Ijarah assets under IFAS 2 - Net investment in ijarah - Advance against ijarah - Diminishing musharaka financing - Advance against diminishing musharaka finance - Running musharaka - Tijarah finance - Over due acceptances - Payment against guarantee - Payment against documents - Salam financing				m		2,201,509 1,815,199 112,493 4,789 36,803,774 1,029,016 150,000 1,931,776 977,936 62,796 61,423 21,589	2,101,551 1,947,276 1,772,129 2,643,116 112,493 19,974 36,142,499 991,561 150,000 1,378,591 698,722 62,796 4,701 22,087
	- Advance against export refinance under Islamic scheme - Ijarah assets under IFAS 2 - Net investment in ijarah - Advance against ijarah - Diminishing musharaka financing - Advance against diminishing musharaka finance - Running musharaka - Tijarah finance - Over due acceptances - Payment against guarantee - Payment against documents				-		2,201,509 1,815,199 112,493 4,789 36,803,774 1,029,016 150,000 1,931,776 977,936 62,796 61,423	2,101,551 1,947,276 1,772,129 2,643,116 112,493 19,974 36,142,499 991,561 150,000 1,378,591 698,722 62,796 4,701

30 September 31 December

8.1 Islamic financing and related assets include Rs. 7,493.914 (31 December 2017 : Rs. 7,651.332) million which have been placed under non-performing status as detailed below:

	30 September 2018 (Un-Audited)						
Category of classifications	Classified Islam	ic financing and	related assets	Provision	Provision		
	Domestic	Overseas	Total	required	held		
			Rupees in '000				
Other assets especially mentioned	103,692	-	103,692	9	12		
Substandard	1,227,106	-	1,227,106	143,775	143,775		
Doubtful	482,904	-	482,904	196,166	196,166		
Loss	5,680,212	12	5,680,212	4,412,534	4,412,534		
	7,493,914	-	7,493,914	4,752,475	4,752,475		

31 December 2017 (Audited)						
Classified Islam	Provision	Provision				
Domestic	Overseas	Total	required	held		
<u> </u>		- Rupees in '000				
35,182		35,182				
1,434,832	4	1,434,832	133,894	133,894		
653,068		653,068	127,265	127,265		
5,528,250	9	5,528,250	3,940,968	3,940,968		
7,651,332	-	7,651,332	4,202,127	4,202,127		
	35,182 1,434,832 653,068 5,528,250	Classified Islamic financing and	Classified Islamic financing and related assets Domestic Overseas Total	Classified Islamic financing and related assets Provision required Domestic Overseas Total required		

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

	30 Septe	30 September 2018 (Un-Audited)			31 December 2017 (Audited)			
	Specific	General	Total	Specific	General	Total		
			Kupee	s in '000				
Opening balance	4,202,127	87,086	4,289,213	4,217,953	86,969	4,304,922		
Charge for the period / year	756,165	51,012	807,177	459,119	117	459,236		
Reversals for the period / year	(205,816)	-	(205,816)	(474,945)	-	(474,945)		
	550,349	51,012	601,361	(15,826)	117	(15,709)		
Closing balance	4,752,476	138,098	4,890,574	4,202,127	87,086	4,289,213		

- **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. 1,912.343 (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. 40.581 million (31 December 2017: Rs. 40.581) 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 75% of provision as of 30 September 2018 which amounts to Rs. 178.295 million and the same has been booked in these condensed interim financial statements. Accordingly, further provisioning impact of Rs 59.431 million will be recognized by 31 December 2018.

			2018	2017
		Note	(Rupee:	s '000)
			(Un-Audited)	(Audited)
9.	OPERATING FIXED ASSETS			
	Property and equipment		1,788,174	1,855,376
	Intangible assets		1,615,858	1,720,577
	Capital work-in-progress	9.1	542,591	506,200
			3,946,623	4,082,153
9.1	Capital work-in-progress			
	Land and building including advances to suppliers and contractors		542,591	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)
				14
	Total capital work-in-progress		542,591	506,200

30 September 30 September

			2017 es '000) udited)
9.2	Additions to operating fixed assets	131,327	163,483
	Disposals operating fixed assets - cost	38,548	21,403
		30 September 2018 (Rupee	All the State of t
10.	DEPOSITS AND OTHER ACCOUNTS	(Un-Audited)	(Audited)
	Customers Fixed deposits Savings deposits Current accounts - non-remunerative Margin deposits	16,566,114 56,638,222 24,817,758 1,337,810	18,530,047 49,335,247 24,074,933 1,359,486
÷	Financial Institutions Remunerative deposits Non-remunerative deposits	99,359,904 4,314,997 73,021 4,388,018 103,747,922	93,299,713 5,201,905 88,286 5,290,191 98,589,904
11.	SUB - ORDINATED LOANS	103,747,922	30,303,304
	Tier II mudaraba sukuk - first issue Tier II mudaraba sukuk - second issue	857,136 1,500,000 2,357,136	1,142,852 1,500,000 2,642,852
12.	CONTINGENCIES AND COMMITMENTS		
12.1	Transaction-related contingent liabilities		
	Includes performance bonds, bid bonds, shipping guarantees favouring: - Government - Banking companies and other financial institutions - Others	5,326,879 249,803 647,873 6,224,555	5,589,644 25,252 1,500,360 7,115,256
12.2	Trade-related contingent liabilities		
	Letters of credit	5,944,423	8,082,529
	Others - Shipping Guarantees Acceptances	3,845,208	2,650 1,991,792
12.3	Commitments in respect of forward exchange contracts	3,643,208	1,991,792
	Purchase		018035 2001
	Sale	9,543,218 6,684,787	5,582,401 3,547,869
12.4			
12.4	Commitments to incur capital expenditure	15,456	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.

		Nine mon	ths ended	Quarter	rended
		30 September 2018	30 September 2017 (Rupe	30 September 2018 es '000)	30 September 2017
13.	PROFIT / RETURN EARNED ON ISLAMIC FINANCING AND RELATED ASSETS, INVESTMENTS AND PLACEMENTS		(Un-A	udited)	
	On islamic financing and related assets On investments in	4,559,992	3,989,694	1,614,452	1,319,279
	- Available-for-sale securities	838,608	854,342	312,733	247,257
	On deposits with banks On due from financial institutions	9,148	45,323	1,168	28,495
	Silver for marcial institutors	312,516 5,720,264	125,275 5,014,634	132,348 2,060,701	80,782 1,675,813
14.	OTHER INCOME				
	Gain / (loss) on sale of assets Gain on sale of non banking assets	37	4,039	(52)	977
	Rental Income from non-banking assets	8,196 14,348	32,709 565	13,377	195
		22,581	37,313	13,325	1,172
15.	OTHER CHARGES				
	Penalties imposed by/(recovered from) the State Bank of Pakistan	5,897	24,287		(2,120)
16.	RELATED PARTY TRANSACTIONS Parties are considered to be related if one party has the ability to control the other party of				
	operational decisions and include Key management personnel, Parent Bank, shareholders o transactions with related parties are entered into the normal course of business. Details of disclosed elsewhere in these condensed interim financial statements, are as follows:	of transactions with the	related parties, o	ther than those w	hich have beer
				30 September	31 December
				2018	2017
				(Rupees	s '000)
	Key management personnel				
	Islamic financing and related assets			(Rupees (Un-Audited)	s '000) (Audited)
	Islamic financing and related assets At beginning of the period / year Disbursements / additions during the period / year	ø		(Rupees	s '000)
	Islamic financing and related assets At beginning of the period / year	a		(Rupees (Un-Audited)	(Audited)
	Islamic financing and related assets At beginning of the period / year Disbursements / additions during the period / year Repayments / deletions during the period / year At end of the period / year Deposits	9		238,894 98,624 (67,569) 269,949	233,323 71,175 (65,604 238,894
	Islamic financing and related assets At beginning of the period / year Disbursements / additions during the period / year Repayments / deletions during the period / year At end of the period / year Deposits At beginning of the period / year Deposits / additions during the period / year	9		238,894 98,624 (67,569) 269,949	233,323 71,175 (65,604 238,894
	Islamic financing and related assets At beginning of the period / year Disbursements / additions during the period / year Repayments / deletions during the period / year At end of the period / year Deposits At beginning of the period / year			238,894 98,624 (67,569) 269,949	233,323 71,175 (65,604 238,894 172,200 577,096 (551,830
	Islamic financing and related assets At beginning of the period / year Disbursements / additions during the period / year Repayments / deletions during the period / year At end of the period / year Deposits At beginning of the period / year Deposits / additions during the period / year Withdrawals / deletions during the period / year At end of the period / year Other Balances	,		238,894 98,624 (67,569) 269,949 197,466 375,185 (473,640) 99,011	233,323 71,175 (65,604) 238,894 172,200 577,096 (551,830) 197,466
	Islamic financing and related assets At beginning of the period / year Disbursements / additions during the period / year Repayments / deletions during the period / year At end of the period / year Deposits At beginning of the period / year Deposits / additions during the period / year Withdrawals / deletions during the period / year At end of the period / year	•		238,894 98,624 (67,569) 269,949 197,466 375,185 (473,640)	233,323 71,175 (65,604) 238,894 172,200 577,096 (551,830)
	Islamic financing and related assets At beginning of the period / year Disbursements / additions during the period / year Repayments / deletions during the period / year At end of the period / year Deposits At beginning of the period / year Deposits / additions during the period / year Withdrawals / deletions during the period / year At end of the period / year Other Balances Profit receivable on Islamic financing and related assets	Nine mont		238,894 98,624 (67,569) 269,949 197,466 375,185 (473,640) 99,011 188 523 Quarter	233,323 71,175 (65,604) 238,894 172,200 577,096 (551,830) 197,466
	Islamic financing and related assets At beginning of the period / year Disbursements / additions during the period / year Repayments / deletions during the period / year At end of the period / year Deposits At beginning of the period / year Deposits / additions during the period / year Withdrawals / deletions during the period / year At end of the period / year Other Balances Profit receivable on Islamic financing and related assets	30 September 2018	30 September 2017	238,894 98,624 (67,569) 269,949 197,466 375,185 (473,640) 99,011 188 523 Quarter 30 September 2018	233,323 71,175 (65,604) 238,894 172,200 577,096 (551,830) 197,466 199 1,137 ended 30 September 2017
	Islamic financing and related assets At beginning of the period / year Disbursements / additions during the period / year Repayments / deletions during the period / year At end of the period / year Deposits At beginning of the period / year Deposits / additions during the period / year Withdrawals / deletions during the period / year At end of the period / year Other Balances Profit receivable on Islamic financing and related assets Return payable on deposit	30 September 2018	30 September 2017 (Rupee	238,894 98,624 (67,569) 269,949 197,466 375,185 (473,640) 99,011 188 523 Quarter 30 September	233,323 71,175 (65,604 238,894 172,200 577,096 (551,830 197,466 199 1,137 ended 30 September 2017
	Islamic financing and related assets At beginning of the period / year Disbursements / additions during the period / year Repayments / deletions during the period / year At end of the period / year Deposits At beginning of the period / year Deposits / additions during the period / year Withdrawals / deletions during the period / year At end of the period / year Other Balances Profit receivable on Islamic financing and related assets Return payable on deposit Transactions, income and expenses	30 September 2018	30 September 2017 (Rupee (Un-Au	238,894 98,624 (67,569) 269,949 197,466 375,185 (473,640) 99,011 188 523 Quarter 30 September 2018	233,323 71,175 (65,604 238,894 172,200 577,096 (551,830 197,466 199 1,137 ended 30 September 2017
	Islamic financing and related assets At beginning of the period / year Disbursements / additions during the period / year Repayments / deletions during the period / year At end of the period / year Deposits At beginning of the period / year Deposits / additions during the period / year Withdrawals / deletions during the period / year At end of the period / year Other Balances Profit receivable on Islamic financing and related assets Return payable on deposit Transactions, income and expenses Profit earned on Islamic financing and related assets Return on deposits expenses	30 September 2018	30 September 2017 (Rupee	238,894 98,624 (67,569) 269,949 197,466 375,185 (473,640) 99,011 188 523 Quarter 30 September 2018	233,323 71,175 (65,604) 238,894 172,200 577,096 (551,830) 197,466 199 1,137 ended 30 September 2017
	Islamic financing and related assets At beginning of the period / year Disbursements / additions during the period / year Repayments / deletions during the period / year At end of the period / year Deposits At beginning of the period / year Deposits / additions during the period / year Withdrawals / deletions during the period / year At end of the period / year Other Balances Profit receivable on Islamic financing and related assets Return payable on deposit Transactions, income and expenses Profit earned on Islamic financing and related assets	30 September 2018 6,014	30 September 2017 (Rupee (Un-Au	238,894 98,624 (67,569) 269,949 197,466 375,185 (473,640) 99,011 188 523 Quarter 30 September 2018 85 '000)	233,323 71,175 (65,604) 238,894 172,200 577,096 (551,830) 197,466 199 1,137 ended 30 September 2017
	Islamic financing and related assets At beginning of the period / year Disbursements / additions during the period / year Repayments / deletions during the period / year At end of the period / year Deposits At beginning of the period / year Deposits / additions during the period / year Withdrawals / deletions during the period / year At end of the period / year Other Balances Profit receivable on Islamic financing and related assets Return payable on deposit Transactions, income and expenses Profit earned on Islamic financing and related assets Return on deposits expenses	30 September 2018 6,014 1,716	30 September 2017 (Rupee (Un-Au 6,327 3,929	238,894 98,624 (67,569) 269,949 197,466 375,185 (473,640) 99,011 188 523 Quarter 30 September 2018 sr '000) 2,373 658 53,767 30 September 2018	233,323 71,175 (65,604) 238,894 172,200 577,096 (551,830) 197,466 199 1,137 ended 2017 1,896 1,980 44,341 31 December 2017
	Islamic financing and related assets At beginning of the period / year Disbursements / additions during the period / year Repayments / deletions during the period / year At end of the period / year Deposits At beginning of the period / year Deposits / additions during the period / year Withdrawals / deletions during the period / year At end of the period / year Other Balances Profit receivable on Islamic financing and related assets Return payable on deposit Transactions, income and expenses Profit earned on Islamic financing and related assets Return on deposits expenses Salaries, allowances and benefits	30 September 2018 6,014 1,716	30 September 2017 (Rupee (Un-Au 6,327 3,929	238,894 98,624 (67,569) 269,949 197,466 375,185 (473,640) 99,011 188 523 Quarter 30 September 2018 85 '000) 2,373 658 53,767	233,323 71,175 (65,604) 238,894 172,200 577,096 (551,830) 197,466 199 1,137 ended 2017 1,896 1,980 44,341 31 December 2017
	Islamic financing and related assets At beginning of the period / year Disbursements / additions during the period / year Repayments / deletions during the period / year At end of the period / year Deposits At beginning of the period / year Deposits / additions during the period / year Withdrawals / deletions during the period / year At end of the period / year Other Balances Profit receivable on Islamic financing and related assets Return payable on deposit Transactions, income and expenses Profit earned on Islamic financing and related assets Return on deposits expenses Salaries, allowances and benefits Shareholders, directors and other related parties of the Bank	30 September 2018 6,014 1,716	30 September 2017 (Rupee (Un-Au 6,327 3,929	238,894 98,624 (67,569) 269,949 197,466 375,185 (473,640) 99,011 188 523 Quarter 30 September 2018 85 '000) 2,373 658 53,767 30 September 2018	233,323 71,175 (65,604) 238,894 172,200 577,096 (551,830) 197,466 199 1,137 ended 30 September 2017 1,896 1,980 44,341 31 December 2017
	Islamic financing and related assets At beginning of the period / year Disbursements / additions during the period / year Repayments / deletions during the period / year At end of the period / year Deposits At beginning of the period / year Deposits / additions during the period / year Withdrawals / deletions during the period / year At end of the period / year Other Balances Profit receivable on Islamic financing and related assets Return payable on deposit Transactions, income and expenses Profit earned on Islamic financing and related assets Return on deposits expenses Salaries, allowances and benefits Shareholders, directors and other related parties of the Bank Islamic financing and related assets At beginning of the period / year	30 September 2018 6,014 1,716	30 September 2017 (Rupee (Un-Au 6,327 3,929	238,894 98,624 (67,569) 269,949 197,466 375,185 (473,640) 99,011 188 523 Quarter 30 September 2018 85 '000) 2,373 658 53,767 30 September 2018	233,323 71,175 (65,604) 238,894 172,200 577,096 (551,830) 197,466 199 1,137 ended 30 September 2017 1,896 1,980 44,341 31 December 2017
	Islamic financing and related assets At beginning of the period / year Disbursements / additions during the period / year Repayments / deletions during the period / year At end of the period / year Deposits At beginning of the period / year Deposits / additions during the period / year Withdrawals / deletions during the period / year At end of the period / year Other Balances Profit receivable on Islamic financing and related assets Return payable on deposit Transactions, income and expenses Profit earned on Islamic financing and related assets Return on deposits expenses Salaries, allowances and benefits Shareholders, directors and other related parties of the Bank Islamic financing and related assets	30 September 2018 6,014 1,716	30 September 2017 (Rupee (Un-Au 6,327 3,929	238,894 98,624 (67,569) 269,949 197,466 375,185 (473,640) 99,011 188 523 Quarter 30 September 2018 ss '000) 2,373 658 53,767 30 September 2018 (Un-Audited)	233,323 71,175 (65,604) 238,894 172,200 577,096 (551,830) 197,466 199 1,137 ended 30 September 2017 1,896 1,980 44,341 31 December 2017 5'000) (Audited)

			30 September 2018 (Rupee	31 December 2017 s '000)	
			(Un-Audited)	(Audited)	
Deposits At beginning of the period / year				745.054	
Deposits / additions during the period / year			819,202	745,954	
Withdrawals / deletions during the period / year			867,771	413,432	
At end of the period / year			(743,269) 943,704	(340,184) 819,202	
Other balances			943,704	819,202	
Profit receivable on Islamic financing and related assets				19199	
Return payable on deposits			1,320	142	
Investments			4,643	3,156	
Provision for diminution in the value of investments			52,200	52,200	
Sub-ordinated loan			22,613	19,637	
Return payable on Sub-ordinated Joan			857 1	5,714	
names a service of the first of the service of the		32	T	113	
Payable to shareholders			657	657	
		ths ended	Quarter	and the party of the last of t	
	30 September	30 September	30 September	30 September	
	2018	2017	2018	2017	
		(Rupees '000)			
·	-	(Un-A	udited)	77.5	
Transactions, income and expenses					
Profit earned on Islamic financing and related assets	4,392	7,441	1,205	2,082	
Revenue earned from non funded exposure	35	-	35	-	
Return on deposits expenses	37,952	25,609	12,928	8,654	
Director fee and other allowances	39,130	43,920	9,738	15,664	
Shariah Board fee	3,594	4,105	746	1,118	
Return on Sub-ordinated loan	81	498	39	239	
Others	21,171	47,750	2,700	21,195	
			30 September	31 December	
			2018	2017	
			(Rupee	a remove the court of the court	
			(Un-Audited)	(Audited)	
Staff Retirement benefit plan of the Bank				1890100004974-061	
Balance					
Receivable in respect of defined benefit plan			12,579	12,579	
	Nine mon	ths ended	Quarter	.BVESNY.F	
	30 September	_	777-77		
	2018	30 September 2017	30 September 2018	30 September 2017	
		A 1115 PVI, D.	es '000)		
		the second section and the second section and the second	udited)		
Transactions, income and expenses		Jona			
Contribution to defined contribution plan	53,894	54,936	17,625	18,154	
Contribution to defined benefit plan	40,075	30,875	13,750	11,848	
The section water profit	40,073	30,073	13,730	11,040	

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 30 September 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.

17.2 Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in these condensed interim financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets which are tradeable in an open market are revalued at the market prices prevailing on the statement of financial position date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

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

		As at	30 September 20)18 (Un-Audited)
D1 W4		Level 1	Level 2	Level 3	Total
On - balance sheet financial instruments	Note	-	(Rupees '	000)	
Financial assets classified as 'held-for-trading'					
Ordinary shares Listed shares		58,455	98		58,455
Financial assets classified as 'available-for-sale securities'					5070A 5 USS (SA
Ordinary shares Listed shares		874,023	2	2	874,023
Government Securities Government of Pakistan - Ijarah sukuk			10,560,677	2	10,560,677
Sukuks Sukuk certificates - listed		2 060 228	Continued Area		
Sukuk certificates - Unlisted		2,060,228	7,689,752		2,060,228 7,689,752
Mutual Funds Units of open end fund		120	69,547	120	69,547
Non - financial assets Non banking assets acquired in satisfaction			#200 Mar = 200 Mars.		0.00
of claims - Gross		-	7.7	2,247,402	2,247,402
		2,992,706	18,319,976	2,247,402	23,560,084
Off - balance sheet financial instruments					
Forward exchange contracts Purchase	18.2.1		9,543,218	2	9,543,218
Sale	18.2.1		6,684,787		6,684,787
			year.		
			at 31 December 2		
On - balance sheet financial instruments		Level 1	Level 2 (Rupees '(Level 3	Total
Financial assets classified as 'held-for-trading'			(Hapaca)	,007	
Ordinary shares					
Listed shares		27,037	:-		27,037
Financial assets classified as 'available-for-sale securities'					
Ordinary shares					
Listed shares		901,135	læ.	390	901,135
Government Securities Government of Pakistan - Ijarah sukuk		:83	10,301,502		10,301,502
Sukuks Sukuk certificates - listed		1,863,876	-		1,863,876
Mutual Funds Units of open end fund		-	69,727	839	69,727
Non - financial assets Non banking assets acquired in satisfaction of claims - Gross		-	-	2,361,522	2,361,522
		2,792,048	10,371,229	2,361,522	15,524,799
Off - balance sheet financial instruments					
Forward exchange contracts					
Purchase	18.2.1	8207	5,582,401		5,582,401
Sale	18.2.1	(w.)	3,547,869	0+0	3,547,869

ALBARAKA BANK (PAKISTAN) LIMITED

30 September 31 December 2018 2017 ----- (Rupees '000) ------ (Un-Audited) (Audited)

17.2.1 Book value of off - balance sheet financial instruments

Forward purchase of foreign exchange
Forward sale of foreign exchange

9,416,112 5,335,027 **6,658,680** 3,440,667

17.3 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.		
Sukuk certificates - Unlisted	These are valued using rates announed by MUFAP.		
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.		
Units of open end fund	These are valued using NAV as declared by the respective fund managers		

18. GENERAL

- 18.1 Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate the comparison. No significant reclassification were made during the current period.
- 18.2 Figures have been rounded off to the nearest thousand rupees.
- 18.3 The Deposit Protection Corporation (DPC) Subsidiary of State Bank of Pakistan vide it DPC Circular No. 04 dated 22 June 2018 has introduced a deposit protection mechanism to all scheduled banks in Pakistan with effect from 1 July 2018. As per such mechanism, banks are required to pay annual premium to the corporation calculated @ 0.16% of their respective "aggregate eligible deposits". Based on the above, the Bank has paid Rs 22.59 million during the period ended 30 September 2018.

19. DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on 28 October 2018 by the Board of Directors of the Bank.

Director