

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

	30 September 2018	31 December 2017
Note	------(Rupees '000)----- (Un-Audited)	----- (Audited)
ASSETS		
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	-	-
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
CONTINGENCIES AND COMMITMENTS	12	

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

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

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 ended	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
Note	----- (Rupees '000) -----			
Profit / return earned on Islamic financing and related assets, investments and placements	5,720,264	5,014,634	2,060,701	1,675,813
Return on deposits and other dues expensed	<u>(2,667,351)</u>	<u>(2,279,550)</u>	<u>(983,514)</u>	<u>(761,421)</u>
Net spread earned	3,052,913	2,735,084	1,077,187	914,392
Provision against non-performing Islamic financing and related assets	<u>(601,361)</u>	<u>(671,722)</u>	<u>(132,273)</u>	<u>(800,826)</u>
Provision for diminution in the value of investments	<u>(132,740)</u>	<u>(121,879)</u>	<u>(23,757)</u>	<u>(88,568)</u>
Net spread after provisions	2,318,812	1,941,483	921,157	24,998
Other income				
Fee, commission and brokerage income	503,632	488,341	139,646	142,435
Dividend income	25,115	22,316	9,310	3,100
Income from dealing in foreign currencies	284,204	136,222	117,171	56,942
Gain on sale of securities	24,013	121,472	1,970	(31,277)
Unrealized loss on revaluation of investments classified as held-for-trading	(4,710)	(657)	(2,737)	838
Other income	22,581	37,313	13,325	1,172
Total other income	<u>854,835</u>	<u>805,007</u>	<u>278,685</u>	<u>173,210</u>
Other expenses	3,173,647	2,746,490	1,199,842	198,208
Administrative expenses	<u>(3,579,045)</u>	<u>(3,651,531)</u>	<u>(1,203,787)</u>	<u>(1,211,466)</u>
Other provisions / write off	<u>(4,112)</u>	<u>(3,785)</u>	<u>20</u>	<u>(3,785)</u>
Other charges	<u>(5,897)</u>	<u>(24,287)</u>	<u>-</u>	<u>2,120</u>
Total other expenses	<u>(3,589,054)</u>	<u>(3,679,603)</u>	<u>(1,203,767)</u>	<u>(1,213,131)</u>
Extra ordinary / unusual items	<u>(415,407)</u>	<u>(933,113)</u>	<u>(3,925)</u>	<u>(1,014,923)</u>
Loss before taxation	(415,407)	(933,113)	(3,925)	(1,014,923)
Taxation	<u>(82,248)</u>	<u>(62,817)</u>	<u>(29,277)</u>	<u>(23,100)</u>
- Current	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
- Prior year	<u>218,759</u>	<u>395,793</u>	<u>24,471</u>	<u>385,563</u>
- Deferred	<u>136,511</u>	<u>332,976</u>	<u>(4,806)</u>	<u>362,463</u>
Loss after taxation	(278,896)	(600,137)	(8,731)	(652,460)
----- Rupee -----				
Loss per share - basic / diluted	(0.20)	(0.44)	(0.01)	(0.47)

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



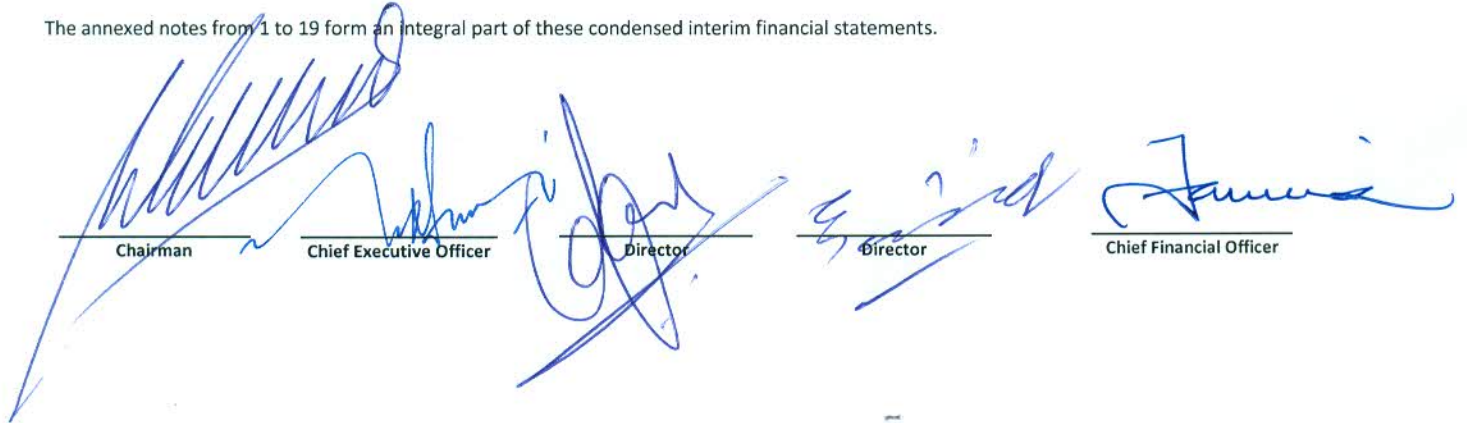
Chairman
Chief Executive Officer
Director
Director
Chief Financial Officer

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

	Nine months ended		Quarter 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	-	-	-	-
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 *	(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.

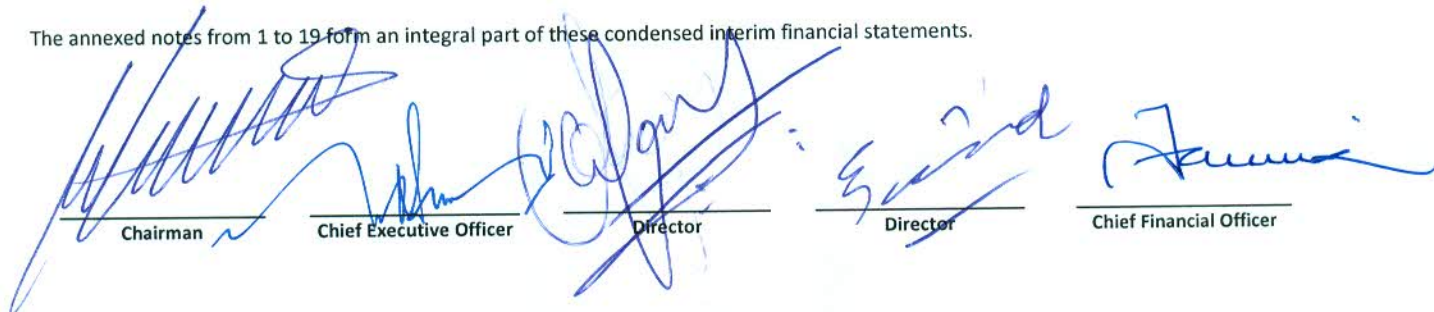


Chairman
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Director
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Chief Financial Officer

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

	Nine months ended	
	30 September 2018	30 September 2017
Note	----- (Rupees '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(415,407)	(933,113)
Dividend income	(25,115)	(22,316)
	<u>(440,522)</u>	<u>(955,429)</u>
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	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)
	<u>1,048,908</u>	<u>1,074,507</u>
	608,386	119,078
(Increase) / decrease in operating assets		
Due from financial institutions	3,095,411	(3,002,708)
Islamic financing and related assets	(2,134,103)	466,459
Other assets	22,228	(194,454)
	<u>983,536</u>	<u>(2,730,703)</u>
Increase / (decrease) in operating liabilities		
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)
	<u>3,084,182</u>	<u>(13,406,913)</u>
Income tax paid	(63,957)	(33,643)
Net cash flow from / (used in) operating activities	<u>4,612,147</u>	<u>(16,052,181)</u>
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	<u>(2,269,496)</u>	<u>5,779,159</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Tier II mudaraba sukuk - first issue	(285,716)	(285,716)
Issuance of Tier II mudaraba sukuk - second issue	-	1,500,000
Net cash (used in) / flow from financing activities	<u>(285,716)</u>	<u>1,214,284</u>
Net increase / (decrease) in cash and cash equivalents	<u>2,056,935</u>	<u>(9,058,738)</u>
Cash and cash equivalents at beginning of the period	11,847,750	19,709,475
Cash and cash equivalents at end of the period	<u>13,904,685</u>	<u>10,650,737</u>

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



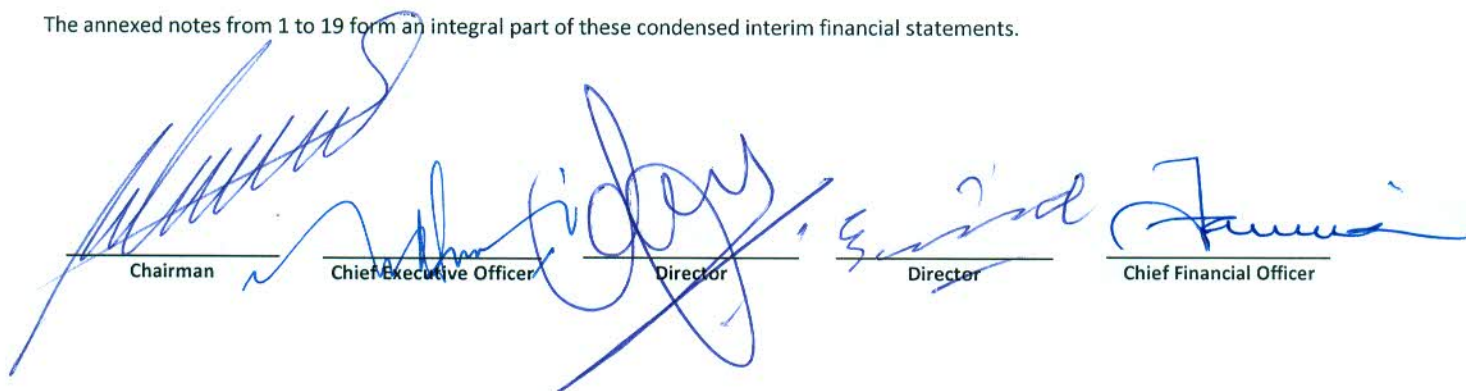
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ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	Issued, subscribed and paid-up share capital	Advance against issuance of shares	Discount on issuance of shares - net	Statutory Reserve *	Accumulated loss	Total
	----- (Rupees '000) -----					
Balance as at 01 January 2017	13,739,628	-	(632,766)	159,348	(2,281,369)	10,984,841
Profit after taxation for the period	-	-	-	-	(600,137)	(600,137)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(600,137)	(600,137)
Transfer from surplus on revaluation of non-banking assets - net of tax	-	-	-	-	221	221
Balance as at 30 September 2017	13,739,628	-	(632,766)	159,348	(2,881,285)	10,384,925
Loss after taxation for the period	-	-	-	-	210,699	210,699
Other comprehensive loss for the period	-	-	-	-	(5,211)	(5,211)
Total comprehensive loss for the period	-	-	-	-	205,488	205,488
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	-	-	-	-	(278,896)	(278,896)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(278,896)	(278,896)
Transfer from surplus on revaluation of non-banking assets - net of tax	-	-	-	-	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.



Chairman
Chief Executive Officer
Director
Director
Chief Financial Officer

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 sub-branches (31 December 2017 : 188 branches including 13 sub-branches) in Pakistan.

Based on the financial statements of the Bank for the year ended 31 December 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 condensed interim financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

- 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:

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

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

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

	30 September 2018 (Un-Audited)			31 December 2017 (Audited)		
	Specific	General	Total	Specific	General	Total
		----- Rupees in '000 -----				
Opening balance	4,202,127	87,086	4,289,213	4,217,953	86,969	4,304,922
Charge for the 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.

	Note	30 September 2018	31 December 2017
		(Un-Audited)	(Audited)
----- (Rupees '000) -----			
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)
		-	-
Total capital work-in-progress		542,591	506,200

	30 September 2018 ----- (Rupees '000) ----- (Un-Audited)	31 December 2017 ----- (Rupees '000) ----- (Audited)
Deposits		
At beginning of the period / year	819,202	745,954
Deposits / additions during the period / year	867,771	413,432
Withdrawals / deletions during the period / year	(743,269)	(340,184)
At end of the period / year	943,704	819,202
Other balances		
Profit receivable on Islamic financing and related assets	1,320	142
Return payable on deposits	4,643	3,156
Investments	52,200	52,200
Provision for diminution in the value of investments	22,613	19,637
Sub-ordinated loan	857	5,714
Return payable on Sub-ordinated loan	1	113
Payable to shareholders	657	657

	Nine months ended		Quarter ended	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
	----- (Rupees '000) ----- ----- (Un-Audited) -----			
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

Staff Retirement benefit plan of the Bank

	Nine months ended		Quarter ended	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
	----- (Rupees '000) ----- ----- (Un-Audited) -----			
Balance				
Receivable in respect of defined benefit plan			12,579	12,579
Transactions, income and expenses				
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

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 2018 (Un-Audited)			
		Level 1	Level 2	Level 3	Total
		----- (Rupees '000) -----			
On - balance sheet financial instruments	Note				
Financial assets classified as 'held-for-trading'					
Ordinary shares					
Listed shares		58,455	-	-	58,455
Financial assets classified as 'available-for-sale securities'					
Ordinary shares					
Listed shares		874,023	-	-	874,023
Government Securities					
Government of Pakistan - Ijarah sukuk		-	10,560,677	-	10,560,677
Sukuks					
Sukuk certificates - listed		2,060,228	-	-	2,060,228
Sukuk certificates - Unlisted		-	7,689,752	-	7,689,752
Mutual Funds					
Units of open end fund		-	69,547	-	69,547
Non - financial assets					
Non banking assets acquired in satisfaction of claims - Gross		-	-	2,247,402	2,247,402
		<u>2,992,706</u>	<u>18,319,976</u>	<u>2,247,402</u>	<u>23,560,084</u>
Off - balance sheet financial instruments					
Forward exchange contracts					
Purchase	18.2.1	-	9,543,218	-	9,543,218
Sale	18.2.1	-	6,684,787	-	6,684,787
As at 31 December 2017 (Audited)					
		Level 1	Level 2	Level 3	Total
		----- (Rupees '000) -----			
On - balance sheet financial instruments					
Financial assets classified as 'held-for-trading'					
Ordinary shares					
Listed shares		27,037	-	-	27,037
Financial assets classified as 'available-for-sale securities'					
Ordinary shares					
Listed shares		901,135	-	-	901,135
Government Securities					
Government of Pakistan - Ijarah sukuk		-	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	-	69,727
Non - financial assets					
Non banking assets acquired in satisfaction of claims - Gross		-	-	2,361,522	2,361,522
		<u>2,792,048</u>	<u>10,371,229</u>	<u>2,361,522</u>	<u>15,524,799</u>
Off - balance sheet financial instruments					
Forward exchange contracts					
Purchase	18.2.1	-	5,582,401	-	5,582,401
Sale	18.2.1	-	3,547,869	-	3,547,869

30 September 2018
 31 December 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 announced 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.



Chairman Chief Executive Officer Director Director Chief Financial Officer