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ABOUT MCB ISLAMIC BANK

MCB Islamic Bank Ltd. is the wholly owned subsidiary of MCB Bank Ltd. and commenced its operations in 2015. MCB Islamic Bank has a nationwide network of branches across Pakistan. MCB Islamic Bank is successfully providing Shari'ah compliant products and services to its customers in all provinces of Pakistan.

MISSION STATEMENT

- To provide innovative Shari'ah compliant financial solutions and quality services to our customers.
- To maximize Halal returns for our shareholders.
- To nurture an internal environment of qualified professionals and cutting-edge technology.

VISION

To be the leading provider of Shari'ah Compliant Innovative financial products with a focus on service quality and providing superior value for our customers, shareholders, employees and the community.

OUR VALUES

We are Shari'ah Driven

Following the Shari'ah we will conduct our activity in a fair, ethical and socially responsible manner

Dedicated and Dependable

We will build strong, enduring relationships, delivering an experience that delights our customers

Aspirational

We will be professional and fulfil our commitments, delivering high quality products and services

CREDIT RATING

Long Term

A

Short Term

A - 1

CORPORATE INFORMATION

Board of Directors

Mr. Raza Mansha (Chairman)	Non-Executive Director
Mr. Ahmed Ebrahim Hasham	Independent Director
Mr. Ibrahim Shamsi	Non-Executive Director
Mr. M.U.A. Usmani	Non-Executive Director
Mr. Aftab Ahmad Khan	Non-Executive Director
Mr. Omair Safdar	Non-Executive Director
Mr. Ali Muhammad Mahoon (President & CEO)	Executive Director

Audit Committee

Mr. Ahmed Ebrahim Hasham	Chairman
Mr. Aftab A. Khan	Member
Mr. Ibrahim Shamsi	Member
Mr. Omair Safdar	Member

Human Resource & Remuneration Committee

Mr. Ahmed Ebrahim Hasham	Chairman
Mr. Raza Mansha	Member
Mr. Aftab A. Khan	Member
Mr. Omair Safdar	Member

Risk Management & Portfolio Review Committee

Mr. Mr. Omair Safdar	Chairman
Mr. Aftab Ahmad Khan	Member
Mr. Ibrahim Shamsi	Member
Mr. Ali Muhammad Mahoon	Member

Board Evaluation Committee

Mr. Ahmed Ebrahim Hasham	Chairman
Mr. Omair Safdar	Member

Business Strategy & Service Quality Review Committee

Mr. Raza Mansha	Chairman
Mr. Aftab A. Khan	Member
Mr. Ibrahim Shamsi	Member
Mr. Ali Muhammad Mahoon	Member

I.T. Committee

Mr. Raza Mansha	Chairman
Mr. Ahmed Ebrahim Hasham	Member
Mr. Ibrahim Shamsi	Member
Mr. Ali Muhammad Mahoon	Member

Shari'ah Board

Prof. Mufti Munib-ur-Rehman	Chairman
Mufti Syed Sabir Hussain	Resident Shari'ah Board Member
Mufti Muhammad Ahmad	Shari'ah Board Member

Chief Financial Officer

Syed Iftikhar Hussain Rizvi

Company Secretary

Ms. Maimoona Cheema

Head of Internal Audit

Mr. Muhammad Tariq Gondal

Legal Advisor

M/s Imtiaz Siddiqui & Associates, Advocates & Solicitor

Auditors

M/s KPMG Taseer Hadi & Co., Chartered Accountants

Registered Office

59-T Block, Phase-II, DHA, Lahore

Website

www.mcbislamicbank.com

DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors of MCB Islamic Bank Limited ('the Bank'), I am pleased to present the condensed interim financial information for the quarter ended March 31, 2018. Following are the financial highlights of the quarter under review:

Statement of Financial Position	Rupees in million		
	Mar 31, 2018	Dec 31, 2017	Growth (%)
Investments – net	12,256	9,186	33.4%
Islamic Financing and related assets – net	38,925	31,473	23.7%
Total Assets	63,169	51,771	22.1%
Deposits	34,718	32,691	6.2%
Shareholders' Equity (including Revaluation)	10,831	9,631	12.5%

Profit & Loss Account	Rupees in million		
	Jan – Mar 2018	Jan – Mar 2017	Growth (%)
Net spread earned after provisions	325	232	40.1%
Other income	69	175	-60.6%
Operating income	394	407	-3.2%
Administrative & other expenses	464	398	16.6%
(Loss) / profit before taxation	(70)	8	-975.0%
(Loss) / profit after taxation	(45)	10	-550.0%
Basic / diluted (loss) / earnings per share (Rupees)	(0.042)	0.010	-539.6%

Performance Review

The Bank continued its operations in line with its strategy of building the balance sheet with the desired mix of deposits and dully backed by quality assets.

In line with Bank's growth strategy, the shareholders of the Bank in their extraordinary ordinary general meeting (EOGM) held on February 10, 2018 had approved the "Scheme of Compromises, Arrangements and Reconstruction (the "Scheme") between the Bank and MCB Bank Ltd. (MCB)". The Scheme envisages transfer of MCB's banking business of ninety (90) branches subject to the approval and sanction by the Honourable Lahore High Court where under the assets, rights, liabilities, operations, systems, staff, assets of back office functions and obligations of MCB relating to banking business of these branches will be transferred to and vested in the Bank. Both the Bank and MCB have filed a petition before the Honourable Lahore High Court for sanction of, and for other orders facilitating implementation of the Scheme under Section 279 to 283 and 285 read with other enabling provisions of the Companies Act, 2017.

During the quarter, the Bank successfully issue right shares amounting to Rs.1.2 billion against 120 million ordinary shares having face value of Rs.10/- strengthening the Bank's capital base and showing shareholder's commitment to promote Islamic banking.

Total Assets of the Bank increased by 22.1% to Rs.63.2 billion from Rs.51.8 billion as at December 31, 2017. Total deposit grew by 6.2% to Rs.34.7 billion from Rs.32.7 billion as at December 31, 2017. Investments

also witnessed growth of 33.4% to Rs.12.2 billion from Rs.9.2 billion as at December 31, 2017. While keeping healthy and well diversified portfolio, financing grew by 23.7% to Rs.38.9 billion from Rs 31.5 billion as at December 31, 2017.

On profitability side, the Bank remained under pressure mainly due to lack of performance on the capital markets side, start up nature of the bank where our deposit per branch and financing per branch needs time to grow to a level to achieve breakeven, and continued expansion cost, led the Bank to post an after tax loss of Rs.69.8 million against profit after tax of Rs.9.6 million in the same quarter last year. Total revenue of the Bank stood at Rs.793.5 million against Rs.557.6 million showing a healthy growth of 42.3%. Income generated from Islamic financing and related assets, investments and placements contributed Rs.724.7 million and other income contributed Rs.68.8 million to total revenue against Rs.382.6 million and Rs.175.0 million respectively in the same quarter last year. Cost of fund increased to Rs.399.0 million from Rs.151.24 million. Administrative expenses were also increased by 16.6% from Rs.463.9 million to Rs.398.4 million.

Return on earning assets was reported at 6.2% while the cost of fund came to 3.8% against 8.4% and 3.3% respectively in the same quarter last year. Loss per share for the quarter came to Rs.0.042 against earnings per share of Rs.0.010 in the same quarter last year, whereas book value per share including revaluation surplus stood at Rs.9.7 against Rs.9.6 as at December 31, 2017.

Credit Rating

Pakistan Credit Rating Agency Limited (PACRA) has maintained the Bank's long term credit rating "A" and short term credit rating "A - 1" with stable outlook as at December 31, 2017.

Economic Review

Pakistan's economy continued its expansionary phase in Fiscal Year 2018 (FY18) and heading to achieve its target growth of 6% on the back of improved power supply, investment related to the China-Pakistan Economic Corridor (CPEC), strong consumption growth and ongoing recovery in agriculture.

Agriculture sector preformed impressively and achieved 3.8% growth which is again the highest in the last 13 years. Production of all major crops registered significant growth. The services sector has achieved 6.4% growth during current fiscal year.

Industrial sector has also maintained its upward growth trajectory at 5.8%. This is the highest level of growth in the last 10 years. Large Scale Manufacturing (LSM) touched 6.13% growth during the first eight months of the FY18, which is the highest in last 11 years. The contribution of sugar production, where crushing started later than usual, is likely to further improve the final numbers for the year.

Inflation is contained at 3.8% during first nine months of current fiscal year. The current trend suggests that, inflation will remain below the target of 6% during current fiscal year.

Pakistan exported goods worth US\$2.2 billion in March 2018 which is highest level in four years, reflecting a massive year-on-year increase of 24.4% or US\$437 million when compared with the amount in March 2017. However, the trade deficit still widened 17.3% year-on-year to \$27.3 billion in the cumulative nine-month period, surpassing the amount of US\$ 9 billion projected for the entire fiscal year. Consequently, foreign exchange reserves were put to use as they recorded a fall of 11.8% to US\$17.8 billion during first quarter of year 2018.

To address imbalance of payment pressures arising due to a widening current account deficit and dwindling foreign reserves, the Federal government has further devalued PKR by 10% against the US dollar to curb imports. Also, the State Bank of Pakistan (SBP) increased the key interest rate by 25 basis points to 6% in stark contrast to market expectations and in a clear indication that inflation was picking up pace.

In Pakistan, Islamic banking continues to broaden its outreach and is competing effectively with conventional banks, supported by an increasing range of products and higher quality services. Total assets and deposits of Islamic banking industry (IBI) were recorded at Rs. 2,272 billion and Rs. 1,885 billion respectively by the end of December 2017. Market share of Islamic banking assets and deposits in overall banking industry stood at 12.4 percent and 14.5 percent respectively as at December 31, 2017. Branch network of IBI was recorded at 2,581 branches (including sub-branches) with the closure of December 2017. IBI registered profit after tax (PAT) of Rs. 23 billion for the year ended December 31, 2017.

Future Outlook

It is expected that the target of 6% of GDP for the current fiscal year would be achieved. However, continued widening external and fiscal imbalances, reduction in foreign exchange reserves, Rupee devaluation and sustainable economic policies are the key factors which need immediately refocus on near-term policies to preserve Country's economic stability and get back to fiscal discipline.

The Bank will continue with its strategy for long-term sustainable growth. For achieving this objective, the Bank will add 100 new branches in its network this year. More focus remains on service quality and on customer focused Shari'ah compliant banking products & services that would eventually help the Bank in increasing in market share. This is determined to inculcate a culture of service excellence, while at the same time, attracting, developing and retaining the best human resources talent to ensure realization of our future strategic objectives.

Acknowledgment

On behalf of the Board of Directors and management, I wish to express our sincere gratitude to our customers, business partners and shareholders for their continued patronage and trust. I would also like to thank State Bank of Pakistan, Securities and Exchange Commission of Pakistan and other regulatory authorities for their continuous guidance and support. The Board of Directors sincerely appreciates the significant contribution by all its staff members to the growth of this franchise under challenging business conditions.

For and on behalf of the Board of Directors



Raza Mansha
Chairman
April 20, 2018

ممبران کیلئے ڈائریکٹرز کی رپورٹ:

میں انتہائی مسرت کے ساتھ ایم سی بی اسلامک بینک کے بورڈ آف ڈائریکٹرز (بینک) کی جانب سے، 31 مارچ 2018 کو ختم ہونے والی سہ ماہی کی مختصر عبوری مالیاتی معلومات پیش کر رہا ہوں۔ زیر جائزہ سہ ماہی کا مالیاتی جائزہ درج ذیل ہے۔

معاشی بیانیہ	31 مارچ 2018	31 دسمبر 2017	شرح ترقی (%)
	ملین روپے		
سرمایہ کاری - خالص	12,256	9186	33.4%
اسلامک فنانسنگ اور متعلقہ اثاثہ جات - خالص	38,925	31,473	23.7%
کل اثاثہ جات	63,169	51,771	22.1%
ڈیپازٹس	34,718	32,691	6.2%
حصص یافتگان کی ایکویٹی (بشمول تھیں نو)	10,831	9,631	12.5%

نفع نقصان کھاتہ	جنوری - مارچ 2018	جنوری - مارچ 2017	شرح ترقی (%)
	ملین روپے		
خالص آمدن بعد از تخمینہ جات	325	232	40.1%
دیگر آمدن	69	175	- 60.6%
کاروباری آمدن	394	407	- 3.2%
انتظامی و دیگر اخراجات	464	398	16.6%
(نقصان) / منافع قبل از ٹیکس	(70)	8	-975.0%
(نقصان) / منافع بعد از ٹیکس	(45)	10	-550.0%
بنیادی / معتدل فی حصص (نقصان) / آمدنی (روپے)	(0.042)	0.010	539.6%

کارکردگی کا جائزہ:

بینک اپنی بیلنس شیٹ کی تعمیر میں ڈیپازٹ کی مطلوبہ ترکیب کے ساتھ معیاری اثاثہ جات میں فروغ کی حکمت عملی کو اپناتے ہوئے اپنی کارکردگی کو جاری رکھے ہوئے ہے۔

اس سہ ماہی میں بینک نے نہایت کامیابی سے 120 ملین کے عام شیئرز / حصص، جن کی فیس ویلیو 10 روپے ہے، کے تقابل 1.2 بلین روپے کے رائٹ شیئرز / حصص کا اجراء کیا۔ جو ناصرف بینک کے سرمایہ کی بنیاد کی مزید مضبوطی بلکہ پاکستان میں اسلامک بینکنگ کے فروغ کیلئے حصص یافتگان کے عزم کا مظہر بھی ہے۔

بینک کی نشوونما کی حکمت عملی سے ہم آہنگ بینک کے حصص یافتگان نے اپنے غیر معمولی عام اجلاس (EOGM) میں بینک اور ایم سی بی بینک کے مابین مفاہمت، انتظام اور تعمیر نو کی (کمپرومائز انجمنٹس اور ری کنسٹرکشن) سکیم کی منظوری دی۔ اس سکیم میں معزز لاہور ہائیکورٹ کی اجازت اور توثیق سے مشروط ایم سی بی کی بینکاری کے کاروبار سے متعلق 90 برانچیں منتقل کی جائیں گی، جس کے تحت ایم سی بی کی ان برانچوں کے کاروبار سے متعلقہ املاک، حقوق، واجبات، آپریشنز، سسٹمز، شاف، بیک آفس فنکشنز کے اثاثے اور ذمہ داریوں کو منتقل اور بینک سے وابستہ کیا جائے گا۔

دونوں بینکوں نے لاہور ہائیکورٹ کی معزز عدالت میں اس کی منظوری اور سیکشن 279 سے 283 اور 285 جو کمپنیز ایکٹ 2017 کی متعلقہ شقوں کے ساتھ پڑھے جائیں گے، کے تحت دیگر حکم ناموں جو اس سکیم کی عملداری میں سہولت کا باعث بن سکیں، کے لیے پٹیشن دائر کر رکھی ہے۔

بینک کے کل اثاثہ جات میں 22.1% کا اضافہ ہوا جو کہ 31 دسمبر 2017 کی 51.8 بلین روپے کی سطح سے بڑھ کر 63.2 بلین روپے ہو گئے۔ کل ڈیپازٹ 31 دسمبر 2017 کو 32.7 بلین روپے کی حد سے 6.2% کے اضافہ کے ساتھ 34.7 بلین روپے پر شمار کیے گئے۔ سرمایہ کاری میں بھی 33.4% کا اضافہ دیکھا گیا جو کہ 31 دسمبر 2017 کے 9.2 بلین روپے کے حجم سے بڑھ کر 12.2 بلین روپے پر جا پہنچی۔ جبکہ مضبوط اور خوب متنوع پورٹ فولیو کو برقرار رکھتے ہوئے فنانسنگ میں 23.7% کی بڑھوتی ہوئی جو کہ 31 دسمبر 2017 کے 31.5 بلین روپے سے بڑھ کر 38.9 بلین روپے ہو گئی۔

منافع کی مد میں بینک دباؤ کا شکار ہے جس کی بڑی وجہ منافع کی شرح میں اضافہ اور اس کے ساتھ کیپٹل مارکیٹ کی جانب سے کارکردگی کی کمی، بینک کے آغاز کے فطری تقاضے جس میں ہر برانچ کی ڈیپازٹ اور فنانسنگ کی بڑھوتی کو کچھ وقت درکار ہوتا ہے تاکہ وہ اپنے تمام اخراجات برداشت کرنے (بریک ایون) کی سطح تک پہنچ سکیں۔ اس کے علاوہ مسلسل توسیع کی لاگت کے باعث بینک نے 69.8 بلین روپے کا بعد از ٹیکس خسارہ اٹھایا جبکہ پچھلے سال اسی سرمایہ میں 9.6 بلین روپے بعد از ٹیکس منافع تھا۔ بینک کا کل ریونیو (وصولی) اس عرصہ میں 42.3% کے ایک مستحکم اضافہ کے ساتھ 793.5 بلین روپے رہا جو گزشتہ سال 557 بلین روپے تھا۔ اسلاک فنانسنگ اور اس سے متعلقہ اثاثہ جات، سرمایہ کاری اور پلٹ منسٹ سے حاصل ہونے والی آمدنی 724.7 بلین روپے اور دیگر آمدنی 68.8 بلین روپے رہی جبکہ پچھلے سال اسی پہلی سرمایہ میں کل ریونیو (وصولی) 382.6 بلین روپے اور دیگر آمدنی 175 بلین روپے تھی۔ سرمایہ کی لاگت 151.24 بلین روپے سے بڑھ کر 399.0 بلین روپے ہو گئی۔ انتظامی اخراجات بھی 16.6 فیصد کا اضافہ کے ساتھ 398.4 بلین روپے سے بڑھ کر 463.9 بلین روپے تک جا پہنچے۔

پیداواری اثاثہ جات کی آمدنی 6.2 فیصد اور سرمایہ کی لاگت 3.8 فیصد رپورٹ ہوئے جبکہ پچھلے سال اسی سرمایہ میں یہ شرح بالترتیب 8.4 فیصد اور 3.3 فیصد رہی۔ اس سرمایہ میں فی حصص خسارہ 0.042 روپے جبکہ پچھلے سال اسی سرمایہ میں 0.010 فی حصص آمدنی رہی تھی۔ علاوہ ازیں فیس ویلیو فی حصص بشمول تھیں نو 9.7 روپے رہی جو کہ 31 دسمبر 2017 میں 9.6 روپے تھی۔

کریڈٹ ریٹنگ:

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ نے 31 دسمبر 2017 کو مستحکم پیش بینی کے ساتھ بینک کی طویل المدت ریٹنگ کی سطح کو 'اے' (A) اور قلیل المدت کریڈٹ ریٹنگ کو "اے ون" (A-1) کی سطح برقرار رکھا۔

معاشی جائزہ:

پاکستان کی معیشت مالیاتی سال 2018 میں وسعت پذیری کے ساتھ اپنے 6 فیصد ترقی کے ہدف کے حصول کے لیے بجلی کی بہتر فراہمی، پاکستان چین اقتصادی راہداری (CPEC) سے متعلقہ سرمایہ کاری، مصارف کی مضبوط بڑھوتی اور زراعت کے شعبہ میں جاری بحالی کی بنیاد پر کوشاں ہے۔

زراعت کے شعبہ نے متاثر کن کارکردگی دکھاتے ہوئے 3.8 فیصد کی نمو حاصل کی ہے جو کہ پچھلے 13 سالوں میں دوبارہ سب سے نمایاں رہی ہے۔ تمام بڑی فصلوں میں ریکارڈ اضافہ ہوا ہے۔ اس مالی سال میں خدمات کے شعبہ نے بھی 6.4 فیصد کا قابل قدر اضافہ حاصل کیا ہے۔ صنعتی شعبہ نے اپنی ترقی کے رجحان کو برقرار رکھتے ہوئے 5.8 فیصد کی نمو حاصل کی۔ یہ گزشتہ دس سالوں میں سب سے زیادہ ترقی کی شرح ہے۔ بڑے پیمانے کی پیداواری صنعت نے مالی سال 2018 کے پہلے 8 ماہ میں ہی 6.13 فیصد کی ترقی کی شرح حاصل کی جو کہ پچھلے گیارہ سالوں میں بلند ترین ہے۔ چینی کی پیداوار کی شراکت جسکی کرشنگ کا آغاز معمول کے وقت کی نسبت تاخیر سے شروع ہونے کے باوجود، اس سال کے اختتام تک اس کے اہداف کے شمار میں بہتری متوقع ہے۔

رواں مالی سال کے پہلے 9 ماہ کے دوران افراط زر 3.8 فیصد رہا۔ موجودہ رجحان اس امر کی نشاندہی کرتا ہے کہ یہ رواں مالی سال کے دوران افراط زر 6 فیصد کے ہدف سے نیچے ہی رہے گا۔

پاکستان نے مارچ 2018 تک 2.2 بلین امریکی ڈالر کی برآمدات کیں جو کہ گزشتہ 4 سالوں میں سب سے بلند شرح ہے۔ ایک سال میں 24.4 فیصد یا 437 بلین امریکی ڈالر کی یہ شرح سالانہ بنیاد پر مارچ 2017 کے مقابل کی نسبت بڑے اضافے کی عکاس ہے۔ اس کے باوجود تجارتی خسارہ سال بہ سال کی بنیاد پر 17.3 فیصد کی شرح سے مزید وسعت اختیار کرتے ہوئے مجموعی طور پر 9 ماہ میں سال بہ سال کی بنیاد پر 27.3 بلین امریکی ڈالر تک پہنچ گیا ہے جو کہ پورے مالی سال کیلئے معین شدہ 9 بلین امریکی ڈالر کے اندازے کی حد کو عبور کر چکا ہے۔ جس کے نتیجے میں غیر ملکی زرمبادلہ کو بروئے کار لایا گیا تھا جو سال 2018 کی پہلی سہ ماہی کے دوران 11.8 فیصد کی تنزلی کے باعث 17.8 بلین امریکی ڈالر کی سطح پر ریکارڈ کیے گئے۔

کرنٹ اکاؤنٹ کے پھیلتے خسارہ اور بندرت سیکڑے زرمبادلہ کے ذخائر کی وجہ سے ادائیگیوں کے بڑھتے ہوئے عدم توازن کی درنگی کیلئے وفاقی حکومت نے پاکستانی روپے کو امریکی ڈالر کے مقابلے میں مزید 10 فیصد کی تخفیف زر کی ہے تاکہ درآمدات میں کمی کی جاسکے۔ اسٹیٹ بینک آف پاکستان نے کلیدی شرح سود میں 25 بنیادی پوائنٹس کا اضافہ کرتے ہوئے اسکو مارکیٹ کی توقعات کے یکسر متاظر میں 6 فیصد کی شرح پر معین کیا۔ اور اس امر کی طرف ایک واضح اشارہ کرتا ہے کی افراط زر رفتار پکڑ رہا ہے۔

پاکستان میں اسلامک بینکنگ اپنے دائرہ کو وسیع پیمانے پر پھیلاتے ہوئے روایتی بینکوں کے ساتھ موئٹ طریقے سے مقابلہ کر رہے ہیں اور اپنی پراڈکٹس میں اضافہ کرتے ہوئے اعلیٰ معیار کی خدمات فراہم کر رہے ہیں۔ اسلامک بینکنگ کی صنعت (آئی بی آئی- IBI) کے کل اثاثہ جات اور ڈیپازٹ 31 دسمبر 2017 کو بالترتیب 2,272 بلین روپے اور 1,885 بلین روپے رہے۔ بینکنگ کی مجموعی صنعت میں 31 دسمبر 2017 تک اسلامک بینکنگ کا حصہ اثاثہ جات اور ڈیپازٹس کی مدد میں بالترتیب 12.4 فیصد اور 4.5 فیصد رہا۔ اسلامک بینکنگ کا برانچ نیٹ ورک 2,581 برانچوں (بشمول سب برانچوں کے) پر مشتمل ہے۔ 31 دسمبر 2017 کو تین سال میں آئی بی آئی کا بعد از نیس منافع 23 بلین روپے رہا ہے۔

مستقبل کا نقطہ نظر:

یہ امید کی جاتی ہے کہ اس مالی سال میں جی ڈی پی- GDP کا 6 فیصد کا ہدف حاصل کیا جائے گا۔ تاہم بڑھتے ہوئے بیرونی اور مالیاتی عدم توازن، زرمبادلہ کے ذخائر میں کمی، روپے کی قدر میں تخفیف اور پائیدار معیشت وہ اہم عوامل ہیں جن پر قلیل مدت میں فوری توجہ کی ضرورت ہے۔ تاکہ ملک کے معاشی استحکام کو مضبوط اور مالیاتی نظم و نسق کا پھر سے حصول کیا جاسکے۔

بینک طویل المدت کی پائیدار نشوونما کیلئے اپنی حکمت عملی کو جاری رکھے ہوئے ہے اور اس مقصد کو حاصل کرنے کیلئے بینک اس سال سے اپنے نیٹ ورک میں 100 نئی برانچوں کا اضافہ کرے گا۔ سال کے دوران معیاری خدمات اور صارفین پر مرکوز شریعت کے تابع بینکنگ پراڈکٹس اور سروسز پر خصوصی توجہ بینک کے مارکیٹ شیئر میں ممکنہ اضافے کا باعث بنے گی۔ معیاری خدمات فراہم کرنے کی تہذیب کو فروغ دینے کے ساتھ ساتھ اعلیٰ اور قابل افرادی قوت کو متوجہ، ترقی اور برقرار رکھا جا رہا ہے تاکہ مستقبل کے اسٹراٹجک مقاصد کے حصول کو یقینی بنایا جاسکے۔

تسلیم و تحسین

بورڈ آف ڈائریکٹرز کی جانب سے میں اپنے صارفین، کاروباری شراکت دار اور شیئر ہولڈرز کا انکے مسلسل اعتماد اور تعاون پر تہہ دل سے مشکور ہوں۔ میں اسٹیٹ بینک آف پاکستان، سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر انضباطی اداروں کے جاری معاونت اور رہنمائی پر بھی بے حد مشکور ہوں۔ بورڈ آف ڈائریکٹرز اپنے ملازمین کی خدمات کا پُر خلوص اعتراف کرتے ہیں جنکی بدولت ادارے نے مشکل ماحول میں بھی شاندار ترقی کی ہے۔

منجانب و برائے بورڈ آف ڈائریکٹرز:



رضاننداء

چیرمین

20 اپریل 2018



MCB ISLAMIC BANK LIMITED | 1st Quarter Report 2018



Condensed Interim Financial Information

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2018

	Note	(Un-audited) March 31, 2018	(Audited) December 31, 2017
Rupees in thousands			
ASSETS			
Cash and balances with treasury banks		3,001,818	3,390,753
Balances with other banks	9	2,661,794	2,703,251
Due from financial institutions	10	2,400,000	1,400,000
Investments - net	11	12,256,014	9,186,213
Islamic financing and related assets - net	12	38,925,473	31,472,935
Operating fixed assets	13	2,733,654	2,622,993
Deferred tax assets - net	14	299,425	289,465
Other assets - net	15	917,856	705,156
		63,196,034	51,770,766

LIABILITIES

Bills payable		461,208	314,210
Due to financial institutions	16	15,920,971	7,926,790
Deposits and other accounts	17	34,717,805	32,690,808
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities - net		-	-
Other liabilities	18	1,265,348	1,208,179
		52,365,332	42,139,987

NET ASSETS

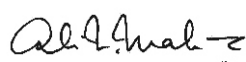
10,830,702	9,630,779
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REPRESENTED BY

Share capital	19	11,200,000	10,000,000
Reserves		26,444	26,444
Accumulated loss		(239,235)	(194,065)
		10,987,209	9,832,379
Deficit on revaluation of assets - net of tax		(156,507)	(201,600)
		10,830,702	9,630,779

CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 30 form an integral part of this condensed interim financial information.



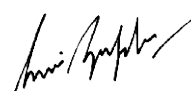
PRESIDENT / CEO



CHIEF FINANCIAL OFFICER



CHAIRMAN



DIRECTOR



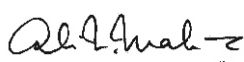
DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2018

	Note	March 31, 2018	2017
		Rupees in thousands	
Profit / return earned	21	724,718	382,610
Profit / return expensed	22	399,032	151,245
Net spread earned		325,686	231,365
Provision / (reversal of provision) against non-performing Islamic financing and related assets - net	12.4	441	(216)
Provision for diminution in the value of investments - net		-	-
Bad debts written off directly		-	-
Net spread after provisions		325,245	231,581
Other income			
Fee, commission and brokerage income		22,360	9,152
Dividend income		12,626	11,197
Income from dealing in foreign currencies		31,238	7,109
Gain on sale of securities - net		-	144,697
Unrealized gain / (loss) on revaluation of investments classified as held for trading - net		-	-
Other income		2,592	2,868
Total other income		68,816	175,023
Other expenses			
Administrative expenses		463,780	398,250
Other provision - net		97	-
Other charges		-	177
Total other expenses		463,877	398,427
Extra ordinary / unusual items		-	-
(Loss) / profit before taxation		(69,816)	8,177
Taxation			
- Current		(9,919)	(5,576)
- Prior periods		-	-
- Deferred		34,354	7,053
(Loss) / profit after taxation		24,435	1,477
		(45,381)	9,654
		Rupees	
Basic / diluted (loss) / earnings per share	23	(0.042)	0.010

The annexed notes 1 to 30 form an integral part of this condensed interim financial information.



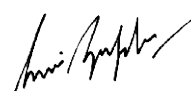
PRESIDENT / CEO



CHIEF FINANCIAL OFFICER



CHAIRMAN



DIRECTOR



DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2018

	March 31, 2018	2017
	Rupees in thousands	
(Loss) / profit after taxation for the quarter	(45,381)	9,654
Other comprehensive income for the quarter		
Total comprehensive (loss) / profit for the quarter transferred to equity	(45,381)	9,654
<i>Items that may be reclassified to profit and loss account</i>		
Components of comprehensive income not reflected in equity		
Surplus / (deficit) on revaluation of available for sale investments	69,697	(10,694)
Related deferred tax (liability) / asset	(24,394)	3,743
	45,303	(6,951)
Total comprehensive (loss) / profit for the quarter	(78)	2,703

The annexed notes 1 to 30 form an integral part of this condensed interim financial information.


PRESIDENT / CEO


CHIEF FINANCIAL OFFICER


CHAIRMAN


DIRECTOR

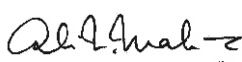

DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2018

	Note	March 31, 2018	2017
		Rupees in thousands	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(69,816)	8,177
Less: Dividend income		(12,626)	(11,197)
		(82,442)	(3,020)
Adjustments for non-cash and other items			
Depreciation - Owned assets		44,299	18,103
Depreciation - Ijarah assets		113,399	134,355
Amortization		19,589	4,640
Provision against non-performing Islamic financing and related assets - net	12.4	441	(216)
Provision for diminution in the value of investments - net		-	-
Provision against other assets		-	-
Provision for Workers' Welfare Fund		-	169
Other assets written off		97	-
Unrealized (gain) / loss on forward exchange contracts		(19,165)	266
Gain on sale of securities - net		-	(144,697)
		158,660	12,620
		76,218	9,600
(Increase) / decrease in operating assets			
Due from financial institutions		(1,000,000)	(900,000)
Islamic financing and related assets		(7,566,378)	(4,076,003)
Other assets - net		(207,784)	(96,227)
		(8,774,162)	(5,072,230)
Increase / (decrease) in operating liabilities			
Bills payable		146,998	(314,056)
Due to financial institutions		7,994,181	2,456,725
Deposits and other accounts		2,026,997	3,384,920
Other liabilities		57,169	159,967
		10,225,345	5,687,556
		1,527,401	624,926
Income tax paid		(3,517)	(1,918)
Net cash (used in) / generated from operating activities		1,523,884	623,008
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investment in available for sale securities		(3,000,103)	(2,368,438)
Dividend income received		20,376	9,431
Proceeds from sale of available for sale securities		-	1,097,815
Investment in operating fixed assets	13.1	(174,549)	(176,903)
Net cash generated from / (used in) investing activities		(3,154,276)	(1,438,095)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		1,200,000	-
Net cash generated from financing activities		1,200,000	-
Increase / (decrease) in cash and cash equivalents during the period		(430,392)	(815,087)
Cash and cash equivalents at the beginning of the period	24	6,094,004	4,260,802
Cash and cash equivalents at the end of the period		5,663,612	3,445,715

The annexed notes 1 to 30 form an integral part of this condensed interim financial information.



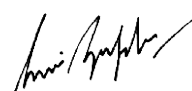
PRESIDENT / CEO



CHIEF FINANCIAL OFFICER



CHAIRMAN



DIRECTOR



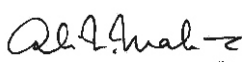
DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2018

	Share Capital	Statutory reserve	Revenue reserve	Unappropriated Profit / (Accumulated loss)	Total
Rupees in thousands					
Balance as at January 01, 2017	10,000,000	26,444	-	68,087	10,094,531
Profit for the quarter ended March 31, 2017	-	-	-	9,654	9,654
Transferred from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	202	202
Transfer to statutory reserves	-	1,931	-	(1,931)	-
Other comprehensive income for the quarter	-	-	-	-	-
Balance as at March 31, 2017 (Un-audited)	10,000,000	28,375	-	76,012	10,104,387
Loss for the period ended December 31, 2017	-	-	-	(272,651)	(272,651)
Transferred from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	643	643
Adjustment in statutory reserves	-	(1,931)	-	1,931	-
Other comprehensive income for the quarter	-	-	-	-	-
Balance as at December 31, 2017 (Audited)	10,000,000	26,444	-	(194,065)	9,832,379
Issue of right shares	1,200,000	-	-	-	1,200,000
Loss for the quarter ended March 31, 2018	-	-	-	(45,381)	(45,381)
Transferred from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	211	211
Transfer to statutory reserves	-	-	-	-	-
Other comprehensive income for the quarter	-	-	-	-	-
Balance as at March 31, 2018 (Un-audited)	11,200,000	26,444	-	(239,235)	10,987,209

The annexed notes 1 to 30 form an integral part of this condensed interim financial information.



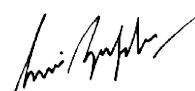
PRESIDENT / CEO



CHIEF FINANCIAL OFFICER



CHAIRMAN



DIRECTOR



DIRECTOR

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2018

1 STATUS AND NATURE OF BUSINESS

- 1.1 MCB Islamic Bank Limited (the Bank) was incorporated in Pakistan as an unlisted public limited company on May 15, 2014 under the Companies Ordinance, 1984 to carry out the business of an Islamic Commercial Bank in accordance and in conformity with the principles of Islamic Shari'ah and in accordance with regulations and guidelines of the State Bank of Pakistan. The Securities and Exchange Commission of Pakistan granted "Certificate of Commencement of Business" to the Bank on January 30, 2015. The Bank is a wholly owned subsidiary of MCB Bank Limited (MCB).
- 1.2 The State Bank of Pakistan (SBP) granted a "Certificate of Commencement of Banking Business" to the Bank on September 14, 2015 under Section 27 of the Banking Companies Ordinance, 1962. The Bank formally commenced operations as a Scheduled Islamic Commercial Bank with effect from October 15, 2015 upon receiving notification in this regard from SBP under section 37 of the State Bank of Pakistan Act, 1956. Currently, the Bank is engaged in corporate, commercial, consumer, investment and retail banking activities.
- 1.3 The Bank is operating through 76 branches in Pakistan (December 31, 2017: 76 branches). The Registered Office of the Bank is situated at 59 Block T, Phase II, DHA, Lahore Cantt and Principal Office is situated at 339 Block Z, Phase III, DHA Lahore Cantt.
- 1.4 Pakistan Credit Rating Agency (PACRA) has maintained the Bank's medium to long-term rating as "A" and the short-term rating as 'A-1' with stable outlook.

2 BASIS OF PRESENTATION

- 2.1 The Bank provides financing through Shari'ah compliant financing products mainly through Murabaha, Istisna, Ijarah, Diminishing Musharaka, Running Musharaka and Export Refinance under Islamic Export Refinance Scheme.
- 2.2 The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of profit thereon. The income on such Islamic financing is recognised in accordance with the principles of Islamic Shari'ah and in accordance with regulations and guidelines of the State Bank of Pakistan. However, income, if any, received which does not comply with the principles of Islamic Shari'ah is recognised as charity payable if so directed by the Shari'ah Board of the Bank.

3 STATEMENT OF COMPLIANCE

- 3.1 This condensed financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017, the Banking Companies Ordinance, 1962, and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). Wherever the requirements of provisions and directives issued under the Companies Act, 2017, the Banking Companies Ordinance, 1962, IFAS notified under the Companies Act, 2017 or the directives issued by the SECP and the SBP differ from the requirements of IFRSs, the provisions and directives issued under the Companies Act, 2017, the Banking Companies Ordinance, 1962, IFASs notified under the Companies Act, 2017 and the directives issued by SECP and SBP shall prevail.
- 3.2 The disclosures made in this condensed interim financial information have been limited based on the format prescribed by the State Bank of Pakistan through BSD Circular Letter No. 2 dated May 12, 2004 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". They do not include all of the information required for a full set of annual financial statements and this condensed interim financial information should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2017.
- 3.3 The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and IAS 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' through its notification

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2018

S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of this condensed interim financial information. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

3.4 The Securities and Exchange Commission of Pakistan (SECP) has notified Islamic Financial Accounting Standard (IFAS) 3, 'Profit and Loss Sharing on Deposits' issued by the Institute of Chartered Accountants of Pakistan. The standard is effective from January 1, 2014 and deals with accounting for transactions relating to 'Profit and Loss Sharing on Deposits' as defined by the said standard. The SBP through BPRD Circular Letter No. 4 dated February 25, 2015, has deferred the applicability of IFAS 3 till further instructions.

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

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

4 SCHEME OF COMPROMISE, ARRANGEMENT AND RECONSTRUCTION WITH MCB BANK LIMITED

The shareholders of the Bank in their extraordinary ordinary general meeting (EOGM) held on February 10, 2018 had approved the "Scheme of Compromises, Arrangements and Reconstruction (the "Scheme") between the Bank and MCB Bank Ltd. (MCB)". The Scheme envisages transfer of MCB's banking business of ninety (90) branches subject to the approval and sanction by the Honourable Lahore High Court where under the assets, rights, liabilities, operations, systems, staff, assets of back office functions and obligations of MCB relating to banking business of these branches will be transferred to and vested in the Bank. The banking business of these branches will also stand converted into Islamic banking business on the effective date pursuant to the compliance of applicable regulatory permissions. Both the Bank and MCB have filed a petition before the Honourable Lahore High Court for sanction of, and for other orders facilitating implementation of the Scheme under Section 279 to 283 and 285 read with other enabling provisions of the Companies Act, 2017.

The Scheme on sanction and implementation will increase the existing network of the Bank, which is striving to promote Islamic banking as per strategy of the State Bank of Pakistan.

5 BASIS OF MEASUREMENT

5.1 This condensed interim financial information has been prepared under the historical cost convention, except that certain investments, foreign currency balances and commitments in respect of certain foreign exchange contracts have been marked to market and carried at fair value in accordance with the requirements of the SBP.

5.2 Items included in this condensed interim financial information are measured using the currency of the primary economic environment in which the Bank operates. This condensed interim financial information is presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

6 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

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

7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Bank for the year ended December 31, 2017.

8 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual financial statements for the year ended December 31, 2017.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2018

	Note	(Un-audited) March 31, 2018	(Audited) December 31, 2017
		Rupees in thousands	
9 BALANCES WITH OTHER BANKS			
In Pakistan			
- deposit account	9.1	2,252,269	2,161,145
Outside Pakistan			
- current account		409,525	542,106
		<u>2,661,794</u>	<u>2,703,251</u>

9.1 This represents modaraba based accounts carrying profit at rates ranging from 0.03% to 5.95% per annum (December 31, 2017: 0.05% to 5.75% per annum).

10 DUE FROM FINANCIAL INSTITUTIONS

Musharakah	10.1	<u>2,400,000</u>	<u>1,400,000</u>
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10.1 This represents Musharaka arrangements with banks carrying profit at expected rates ranging from 5.95% to 6.10% per annum (December 31, 2017: 5.80% to 5.85% per annum).

	Note	(Un-audited) March 31, 2018	(Audited) December 31, 2017
		Rupees in thousands	
10.2 Particulars of due from financial institutions			
In local currency		2,400,000	1,400,000
In foreign currencies		-	-
		<u>2,400,000</u>	<u>1,400,000</u>

11 INVESTMENTS - NET

Investments by types

	March 31, 2018 (Un-audited)			December 31, 2017 (Audited)		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
	Rupees in thousands					
Available-for-sale securities						
Fully paid up ordinary shares - listed	2,116,023	-	2,116,023	1,981,675	-	1,981,675
Sukuk certificates	9,687,816	-	9,687,816	6,764,560	-	6,764,560
	11,803,839	-	11,803,839	8,746,235	-	8,746,235
Held to maturity						
Sukuk certificates	977,500	-	977,500	1,035,000	-	1,035,000
Investments at cost	12,781,339	-	12,781,339	9,781,235	-	9,781,235
Less: Provision for diminution in the value of investments	-	-	-	-	-	-
Investments (net of provisions)	12,781,339	-	12,781,339	9,781,235	-	9,781,235
Deficit on revaluation of investments classified as available-for-sale securities - net	(525,325)	-	(525,325)	(595,022)	-	(595,022)
Total investments at market value	<u>12,256,014</u>	-	<u>12,256,014</u>	<u>9,186,213</u>	-	<u>9,186,213</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2018

	Note	(Un-audited) March 31, 2018	(Audited) December 31, 2017
		Rupees in thousands	
12 ISLAMIC FINANCING AND RELATED ASSETS			
In Pakistan			
- Murabaha financing		7,160,030	5,078,311
- Inventory held under Murabaha		5,328,281	4,513,090
- Advances against Murabaha		224,063	421,318
- Murabaha under Islamic Export Refinance Scheme		144,739	101,575
- Advances against Murabaha under Islamic Export Refinance Scheme		96,000	-
- Diminishing Musharaka		11,004,823	8,903,262
- Advances against Diminishing Musharaka		1,376,701	1,248,246
- Running Musharaka financing		10,019,878	8,009,283
- Running Musharaka financing under Islamic Export Refinance Scheme		806,700	806,700
- Net book value of assets in Ijarah under IFAS 2	12.1	1,477,139	1,484,260
- Advances against Ijarah		397,711	139,249
- Advances against Istisna under Islamic Export Refinance Scheme		100,000	100,000
- Staff finance	12.2	791,068	668,860
Islamic financing and related assets - gross		38,927,133	31,474,154
Provision against non performing Islamic financing and related assets	12.4	(1,660)	(1,219)
Islamic financing and related assets - net of provision		38,925,473	31,472,935

12.1 Net book value of Ijarah assets under IFAS 2 is net of accumulated depreciation amounting to Rs.1,051.334 million (December 31, 2017: Rs. 966.143 million).

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	Rupees in thousands	
12.2 Staff finance		
Staff housing finance under Diminishing Musharakah	656,314	550,235
Staff car finance under Diminishing Musharakah	134,754	118,625
	791,068	668,860

12.3 Islamic financing and related assets include Rs. 0.729 million (December 31, 2017: Rs. 0.729 million) which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2018 (Un-audited)				
	Classified Islamic financing and related assets			Specific Provision required	Specific Provision held
	Domestic	Overseas	Total		
	Rupees in thousands				
Other Assets Especially Mentioned (OAEM)	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	729	-	729	729	729
	729	-	729	729	729
Category of classification	December 31, 2017 (Audited)				
	Classified Islamic financing and related assets			Specific Provision required	Specific Provision held
	Domestic	Overseas	Total		
	Rupees in thousands				
Other Assets Especially Mentioned (OAEM)	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	729	-	729	729	729
	729	-	729	729	729

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2018

12.4 Particulars of provision against non-performing Islamic financing and related assets

	March 31, 2018 (Un-audited)			December 31, 2017 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in thousands					
Opening balance	729	490	1,219	1,029	245	1,274
Charge for the period / year	-	441	441	-	245	245
Reversals during the period / year	-	-	-	(300)	-	(300)
Write offs	-	441	441	(300)	245	(55)
Closing balance	729	931	1,660	729	490	1,219

12.4.1 The Bank has maintained general provision at an amount equal to 1% of the fully secured performing portfolio of consumer, small enterprise and micro financing as required by the Prudential Regulations issued by the SBP.

12.5 Particulars of Islamic financing and related assets - gross

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	Rupees in thousands	
In local currency	38,905,956	31,474,154
In foreign currency	21,177	-
	<u>38,927,133</u>	<u>31,474,154</u>

13 OPERATING FIXED ASSETS

Capital work-in-progress	353,770	243,436
Property and equipment	1,897,764	1,896,647
Intangible assets	482,120	482,910
	<u>2,733,654</u>	<u>2,622,993</u>

13.1 Additions to operating fixed assets - cost

	(Un-audited) For the quarter ended March 31, 2018	2017
	Rupees in thousands	
Civil works	76,901	34,035
Furniture and fixtures	6,238	10,198
Office equipment	8,286	70,111
Computer equipment	37,041	5,049
Computer software	22,479	14,652
Vehicles	11,675	6,035
Advance to supplier and vendors	11,929	36,823
	<u>174,549</u>	<u>176,903</u>

14 DEFERRED TAX ASSETS / (LIABILITY) - NET

Deductible temporary difference

Workers Welfare Fund	798	798
Unused tax losses	211,850	189,882
Minimum tax	41,168	31,249
Deficit on revaluation of available for sale investments - net	183,864	208,258
	<u>437,680</u>	<u>430,187</u>

Taxable temporary difference

Surplus on revaluation of fixed assets	(26,159)	(26,273)
Accelerated tax depreciation	(112,096)	(114,449)
	<u>(138,255)</u>	<u>(140,722)</u>
	<u>299,425</u>	<u>289,465</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2018

		(Un-audited) March 31, 2018	(Audited) December 31, 2017
		Rupees in thousands	
15 OTHER ASSETS			
Profit / return accrued in local currency		596,919	438,696
Advances, deposits, advance rent and other prepayments		136,127	75,883
Advance taxation - net		44,126	50,528
Dividend receivable		12,626	20,376
Rental receivable		19,314	17,154
Receivable against ATM transactions		73,208	90,705
Unrealized gain on forward exchange contracts - net		21,361	2,196
Stationary and stamps		2,007	1,829
Others		12,168	7,789
		<u>917,856</u>	<u>705,156</u>
16 DUE TO FINANCIAL INSTITUTIONS			
In Pakistan		15,920,971	7,926,790
Outside Pakistan		-	-
		<u>15,920,971</u>	<u>7,926,790</u>
16.1 Details of due to financial institutions - Secured / Unsecured			
Secured			
Musharakah from the State Bank of Pakistan under Islamic Export Refinance Scheme	16.1.1	1,008,900	1,007,200
Unsecured			
Musharakah	16.1.2	<u>14,912,071</u>	<u>6,919,590</u>
		<u>15,920,971</u>	<u>7,926,790</u>
16.1.1 These Musharaka arrangements are on a profit and loss sharing basis maturing between April 09, 2018 to August 31, 2018 (December 31, 2017: January 14, 2018 to April 18, 2018) and are secured against demand promissory notes executed in favour of the SBP. A limit of Rs. 1,500 million has been allocated to the Bank by the SBP under Islamic Export Refinance Scheme.			
16.1.2 This represents Musharaka arrangements with banks carrying profit at expected rates ranging from 5.40% to 6.16% per annum (December 31, 2017: 5.10% to 5.80% per annum) and having maturity till August 24, 2018.			
		(Un-audited) March 31, 2018	(Audited) December 31, 2017
		Rupees in thousands	
17 DEPOSITS AND OTHER ACCOUNTS			
Customers			
Fixed deposits		2,127,304	4,641,153
Savings deposits		19,747,995	13,770,648
Current accounts - Non-remunerative		8,754,068	8,715,425
Margin deposits		126,518	144,483
		<u>30,755,885</u>	<u>27,271,709</u>
Financial institutions			
Remunerative deposits		3,901,057	5,358,234
Non-remunerative deposits		60,863	60,865
		<u>3,961,920</u>	<u>5,419,099</u>
		<u>34,717,805</u>	<u>32,690,808</u>
17.1 Particulars of deposits			
In local currency		33,585,577	32,025,030
In foreign currencies		1,132,228	665,778
		<u>34,717,805</u>	<u>32,690,808</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2018

	Note	(Un-audited) March 31, 2018	(Audited) December 31, 2017
		Rupees in thousands	
18 OTHER LIABILITIES			
Profit / return payable in local currency	18.1	204,911	185,629
Profit / return payable in foreign currencies		1,144	1,741
Accrued expenses		285,534	388,112
Deferred Murabaha income under Islamic financing and related assets		251,397	159,530
Advance receipt against Islamic financing and related assets		2,638	13,511
Retention money payable		156	12,992
Charity collection account		7,901	5,513
Income received in advance		11,977	21,651
Security deposits under Ijarah financing		405,088	333,845
Branch adjustment account		22,648	30,069
Withholding tax, Federal Excise Duty and other tax payable		6,136	6,312
Others		65,818	49,274
		<u>1,265,348</u>	<u>1,208,179</u>
18.1 It includes Rs. 3,727 million (December 31, 2017: Rs. 5,513 million) in respect of profit / return payable on Musharaka with the SBP under Islamic Export Refinance Scheme.			
19 SHARE CAPITAL			
19.1 Authorized Capital			
(Un-audited) (Audited)		(Un-audited) (Audited)	
March December		March December	
31, 2018 31, 2017		31, 2018 31, 2017	
Numbers of shares		Rupees in thousands	
<u>1,500,000,000</u> <u>1,500,000,000</u>	Ordinary shares of Rs. 10/- each	<u>15,000,000</u> <u>15,000,000</u>	
19.2 Issued, subscribed and paid up capital			
(Un-audited) (Audited)			
March December			
31, 2018 31, 2017			
Numbers of shares			
	Fully paid in cash		
1,000,000,000 1,000,000,000	Balance at the beginning of the quarter / year	10,000,000 10,000,000	
120,000,000 -	Issued during the quarter / year - right share	1,200,000 -	
<u>1,120,000,000</u> <u>1,000,000,000</u>	Balance at the end of the quarter / year	<u>11,200,000</u> <u>10,000,000</u>	
20 CONTINGENCIES AND COMMITMENTS			
20.1 Transaction-related contingent liabilities			
Guarantees favouring - beneficiary			
- Government		2,108,354	1,535,209
- Others		742,640	734,320
		<u>2,850,994</u>	<u>2,269,529</u>
20.2 Trade-related contingent liabilities			
Import Letters of Credit		5,764,960	5,587,572
Acceptances		525,848	134,755
		<u>6,290,808</u>	<u>5,722,327</u>
20.3 Commitments in respect of forward exchange contracts			
Purchase		<u>608,145</u>	<u>535,867</u>
Sale		<u>64,561</u>	<u>349,072</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2018

(Un-audited) (Audited)
March December
31, 2018 31, 2017
Rupees in thousands

20.4 Commitments for the acquisition of operating fixed assets

Acquisition of fixed assets	34,385	49,089
Acquisition of computer software	13,358	5,380
	<u>47,743</u>	<u>54,469</u>

20.5 Commitments to extend credit

The Bank makes commitment(s) to extend credit in the normal course of business including related parties but these being revocable commitments do not attract any penalty or expense if the facility is unilaterally withdrawn.

20.6 Other Commitment

Claim against the Bank not acknowledged as debt	<u>425,820</u>	<u>-</u>
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This represents claim by a third party against the Bank, which is being contested in the Court of law. The management is of the view that this relate to the normal course of business and the possibility of an outflow of economic resources is remote.

(Un-audited)
For the quarter ended
March 31,
2018 2017
Rupees in thousands

21 PROFIT / RETURN EARNED

On financings to customers	563,621	304,462
On investments in		
- available for sale securities	104,864	42,756
- held to maturity securities	18,225	20,123
	<u>123,089</u>	<u>62,879</u>
On deposits with financial institutions	16,367	13,717
On inter bank musharakah / wakala agreements	21,641	1,552
	<u>724,718</u>	<u>382,610</u>

22 PROFIT / RETURN EXPENSED

On deposits and other accounts	273,747	106,905
On musharakah with the State Bank of Pakistan under IERS	4,653	1,457
On other short term fund - musharakah agreements	120,632	42,883
	<u>399,032</u>	<u>151,245</u>

23 BASIC / DILUTED - EARNINGS / (LOSS) PER SHARE

(Loss) / profit after taxation for the quarter	<u>(45,381)</u>	<u>9,654</u>
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Numbers of shares

Weighted average number of ordinary shares	<u>1,069,333,333</u>	<u>1,000,000,000</u>
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Rupees

Basic / diluted (loss) / earnings per share	<u>(0.042)</u>	<u>0.010</u>
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There were no convertible / dilutive potential ordinary shares outstanding as at March 31, 2018 and March 31, 2017.

(Un-audited)
For the quarter ended
March 31,
2018 2017
Rupees in thousands

24 CASH AND CASH EQUIVALENTS

Cash and balances with treasury banks	3,001,818	1,883,960
Balances with other banks	2,661,794	1,561,755
	<u>5,663,612</u>	<u>3,445,715</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2018

25 FAIR VALUE OF FINANCIAL INSTRUMENTS

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).

The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. For financial assets, the Bank essentially carries its investments in debt and equity securities at fair values. Valuation of investments is carried out as per guidelines specified by the SBP. In case of non-financial assets, the Bank has adopted revaluation model (as per IAS 16) in respect of land and building.

	March 31, 2018 (Un-audited)			
	Fair Value			
	Level 1	Level 2	Level 3	Total
	Rupees in thousands			
On-balance sheet financial instruments				
Financial assets measured at fair value				
Available for sale securities				
Ordinary shares - listed	1,643,326	-	-	1,643,326
Sukuk certificates	-	9,635,188	-	9,635,188
	1,643,326	9,635,188	-	11,278,514
Non - Financial Assets measured at fair value				
Operating fixed assets (land and buildings)	-	-	1,200,072	1,200,072
Off-balance sheet financial instruments				
Foreign exchange contracts purchase	-	633,113	-	633,113
Foreign exchange contracts sale	-	68,168	-	68,168

	December 31, 2017 (Audited)			
	Fair Value			
	Level 1	Level 2	Level 3	Total
	Rupees in thousands			
On-balance sheet financial instruments				
Financial assets measured at fair value				
Available for sale securities				
Ordinary shares - listed	1,352,592	-	-	1,352,592
Sukuk certificates	-	6,798,621	-	6,798,621
	1,352,592	6,798,621	-	8,151,213
Non - Financial Assets measured at fair value				
Operating fixed assets (land and buildings)	-	-	1,005,258	1,005,258
Off-balance sheet financial instruments				
Foreign exchange contracts purchase	-	546,363	-	546,363
Foreign exchange contracts sale	-	357,373	-	357,373

The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. There were no transfers between levels 1 and 2 during the quarter / year.

Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares.

Financial instruments in level 2

Financial instruments included in level 2 comprise of Sukuks and Forward Exchange Contracts.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2018

Financial instruments in level 3

Currently, no financial instrument is classified in level 3.

Valuation techniques and inputs used in determination of fair values

Item	Valuation techniques and input used
Fully paid-up ordinary shares	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.
Ijarah Sukuks (GOP Ijarah Sukuks and other Ijarah Sukuks)	Fair values of GoP Ijarah Sukuks and other Ijarah Sukuks are derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters. These rates denote an average of quotes received from eight different pre-defined / approved dealers / brokers.
Foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by the State Bank of Pakistan.
Operating fixed assets (land and building)	Land and buildings are revalued every three years using professional valuers on the panel of Pakistan Banker's Association. The valuation is based on their assessment of market value of the properties.

26 RISK MANAGEMENT

26.1 Liquidity Coverage Ratio (LCR)

The objective of Liquidity Coverage Ratio (LCR) is to ensure short-term resilience of the liquidity risk profile of the bank by ensuring availability of adequate High Quality Liquid Assets to survive a significant stress scenario lasting for 30 calendar days. As per regulatory requirements, banks are required to maintain a minimum of the following LCR levels in accordance with the timeline below.

		Total unweighted value (average)	
		a	b
		Rupees in thousands	
HIGH QUALITY LIQUID ASSETS			
1	Total high quality liquid assets (HQLA)		11,260,889
CASH OUTFLOWS			
2	Retail deposits and deposits from small business cusmtomers of which:		
2.1	Stable deposit	-	-
2.2	Less stable deposit	20,862,076	2,086,208
3	Unsecured wholesale funding of which:	-	-
3.1	Operational deposits (all counterparties)	-	-
3.2	Non-operational deposits (all counterparties)	19,427,586	11,701,099
3.3	Unsecured debt	-	-
4	Secured wholesale funding	-	-
5	Additional requirements of which:		
5.1	Outflows related to derivative exposures and other	-	-
5.2	Outflows related to loss of funding on debt products	-	-
5.3	Credit and Liquidity facilities	1,059,854	105,985
6	Other contractual funding obligations	-	-
7	Other contingent funding obligations	8,537,543	426,877
8	TOTAL CASH OUTFLOWS	49,887,059	14,320,170
CASH INFLOWS			
9	Secured lending	-	-
10	Inflows from fully performing exposures	1,820,787	910,394
11	Other Cash inflows	2,709,394	2,230,482
12	TOTAL CASH INFLOWS	4,530,182	3,140,876
		TOTAL ADJUSTED VALUE	
21	TOTAL HQLA	-	11,260,889
22	TOTAL NET CASH OUTFLOWS	-	11,179,294
23	LIQUIDITY COVERAGE RATIO	-	1.0073

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2018

26.2 Net Stable Funding Ratio (NSFR)

The objective of Net Stable Funding Ratio (NSFR) is to reduce funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding on ongoing basis. Banks are required to maintain NSFR requirement of at least 100% on an ongoing basis from December 31, 2017.

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	Rupees in thousands	
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	36,124,286	34,350,286
Total Required Stable Funding	28,044,269	22,423,462
Net Stable Funding Ratio	128.81%	153.19%

Unweighted value by residual maturity

	No Maturity	Less than 6 months	6 months to greater than 1 year	Greater than or equal to 1 year	Weighted value
	Rupees in thousands				
ASF Items					
1 Capital:	-	-	-	-	-
2 Regulatory capital	10,342,723	-	-	-	10,342,723
3 Other capital instruments	-	-	-	-	-
4 Retail deposits and deposit from small business customers:	-	-	-	-	-
5 Stable deposits	-	-	-	-	-
6 Less stable deposits	19,745,677	824,483	339,720	61,650	18,874,377
7 Wholesale funding:	-	-	-	-	-
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	10,383,220	3,331,152	100,000	-	6,907,186
10 Other liabilities:	-	-	-	-	-
11 NSFR derivative liabilities	-	-	-	-	-
12 All other liabilities and equity not included in other categories	-	-	-	-	-
13 Total ASF	-	-	-	-	36,124,286
RSF Items					
14 Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	1,943,265
15 Deposits held at other financial institutions for operational purposes	409,525	-	-	-	204,762
16 Performing loans and securities:	-	-	-	-	-

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2018

(continue....)

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NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2018

27 RELATED PARTY TRANSACTIONS

The Bank has related party relationship with its parent company, associates, companies with common directorship, employee benefit plans and its directors and key management personnel and their close family members.

The Bank enters into transactions with related parties in the normal course of business.

Contributions to staff retirement benefit plan are made in accordance with the terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

27.1 The details of transactions with related parties and balances with them are given below:

	Parent company		Associated companies		Directors **		Key Management Personnel ***		Others ****	
	(Un-audited) March 31, 2018	(Audited) December 31, 2017	(Un-audited) March 31, 2018	(Audited) December 31, 2017	(Un-audited) March 31, 2018	(Audited) December 31, 2017	(Un-audited) March 31, 2018	(Audited) December 31, 2017	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	Rupees in thousand									
Balances with other banks										
Opening balance	42,091	3,669	-	-	-	-	-	-	-	-
Deposits during the year	97	113,528	-	-	-	-	-	-	-	-
Withdrawal during the year	(32,395)	(75,104)	-	-	-	-	-	-	-	-
Closing balance	9,793	42,091	-	-	-	-	-	-	-	-
Islamic financing and related assets										
Opening balance	-	-	314,132	660,568	13,103	13,936	83,778	85,246	-	-
Disbursed during the year	-	-	370,543	287,000	-	-	900	39,074	-	-
Repaid / adjustments * during the year	-	-	(24,852)	(643,436)	(251)	(633)	(3,359)	(20,542)	-	-
Closing balance	-	-	659,823	314,132	12,852	13,303	81,319	83,778	-	-
Others										
Advance paid against purchase of property	20,000	20,000	-	-	-	-	-	-	-	-
Other receivables	27,893	19,340	38,624	31,884	-	-	2,553	1,330	-	-
Other payables	25,004	21,915	20,903	19,214	8,610	9,450	8,664	10,014	37	52
Due to Financial Institutions										
Opening balance	524,590	-	-	-	-	-	-	-	-	-
Received during the year	5,761,280	21,888,514	-	-	-	-	-	-	-	-
Repaid during the year	(5,128,094)	(21,163,924)	-	-	-	-	-	-	-	-
Closing balance	3,156,756	524,590	-	-	-	-	-	-	-	-
Deposits and other accounts										
Opening balance	-	-	356,307	123,115	628	430	53,386	19,633	23,581	28,666
Received / Adjustments * during the year	-	-	2,126,786	10,721,968	5,529	41,382	31,788	216,732	21,456	137,986
Withdrawal / Adjustments * during the year	-	-	(2,236,080)	(10,488,776)	(5,155)	(41,184)	(27,706)	(182,979)	(19,512)	(143,075)
Closing balance	-	-	247,003	356,307	1,002	628	57,468	53,386	25,525	23,581
Contingencies & Commitments										
Liabilities - outstanding										
Letter of Credit	-	-	1,158,026	559,646	-	-	-	-	-	-
Letter of Guarantee	-	-	700,770	688,212	-	-	-	-	-	-
Forward exchange contract										
Purchase	387,435	369,872	-	-	-	-	-	-	-	-
Sale	-	208,597	-	-	-	-	-	-	-	-
Unrealized gain on forward exchange contract - net	15,741	5,092	-	-	-	-	-	-	-	-
	Parent company		Associated companies		Directors **		Key Management Personnel ***		Others ****	
	(un-audited) March 31, 2018	(un-audited) March 31, 2017	(un-audited) March 31, 2018	(un-audited) March 31, 2017	(un-audited) March 31, 2018	(un-audited) March 31, 2017	(un-audited) March 31, 2018	(un-audited) March 31, 2017	(un-audited) March 31, 2018	(un-audited) March 31, 2017
	Rupees in thousand									
Transactions during the period										
Fee	-	-	-	-	160	180	-	-	-	-
Managerial remuneration	-	-	-	-	6,836	6,539	30,224	23,973	-	-
Contribution paid to provident	-	-	-	-	-	-	-	-	15,189	16,561
Profit received	-	-	4,190	7,456	112	171	615	881	-	-
Profit paid	9,341	4,374	1,720	423	-	-	317	126	134	151
Investment made in securities	-	-	-	199,168	-	-	-	-	-	-
Proceeds from sale of securities	-	-	-	260,971	-	-	-	-	-	-
Commission received	-	-	1,346	-	-	-	-	-	-	-
Disbursement made against										
advance salary	-	-	-	-	-	-	1,085	1,230	-	-
Repayment made against	-	-	-	-	-	-	-	-	-	-
advance salary	-	-	-	-	-	-	685	250	-	-
Proceeds from issue of										
share capital	1,200,000	-	-	-	-	-	-	-	-	-
Re-imbursement under Home	-	-	-	-	-	-	-	-	-	-
remittance payments	169,677	-	-	-	-	-	-	-	-	-
Payment made for expenses	270	8	35,433	23,991	-	-	-	-	-	-
Foreign currency purchase	2,892,471	1,882,104	-	-	-	-	-	-	-	-
Foreign currency sale	1,555,328	676,351	-	-	-	-	-	-	-	-
Letter of Credit issued	-	-	794,900	1,215,315	-	-	-	-	-	-
Letter of Guarantee issued	-	-	12,558	364,423	-	-	-	-	-	-

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2018

- * Primarily relates to those associates who have become related parties of the Bank as at March 31, 2018
- ** Directors include the President / Chief Executive Officer.
- *** Key management personnel includes certain head of departments who report directly to President / Chief Executive Officer.
- **** This represents balances and transactions of staff retirement benefit plan and related parties other than those separately mentioned.

28 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity is as follows:

March 31, 2018 (Un-audited)					
	Corporate finance	Trading & sales	Retail banking	Commercial banking	Total
Rupees in thousands					
Total income	-	204,961	22,675	565,898	793,534
Total expenses	-	(228,270)	(334,620)	(300,460)	(863,350)
Income tax expense	-	-	-	-	24,435
Net (loss) / income	-	(23,309)	(311,945)	265,438	(45,381)
Segment return on assets (ROA) (%)	-	5.11	1.98	6.34	5.63
Segment cost of fund (%)	-	5.74	3.42	2.01	3.85

March 31, 2017 (Un-audited)					
	Corporate finance	Trading & sales	Retail banking	Commercial banking	Total
Rupees in thousands					
Total income	-	241,151	10,743	305,739	557,633
Total expenses	-	(199,242)	(151,677)	(198,536)	(549,456)
Income tax expense	-	-	-	-	1,477
Net income / (loss)	-	41,909	(140,934)	107,203	9,654
Segment return on assets (ROA) (%)	-	9.79	1.91	6.36	7.10
Segment cost of fund (%)	-	5.50	2.87	1.18	3.26

As At March 31, 2018 (Un-audited)					
	Corporate finance	Trading & sales	Retail banking	Commercial banking	Total
Rupees in thousands					
Segment assets - Gross	-	18,333,081	4,583,109	39,937,953	62,854,143
Advance taxation - net	-	-	-	-	44,126
Deferred tax assets - net	-	-	-	-	299,425
Total assets	-	18,333,081	4,583,109	39,937,953	63,197,694
Segment non performing assets	-	-	-	729	729
Segment specific provision required	-	-	-	729	729
Segment liabilities	-	15,077,059	35,583,518	1,704,755	52,365,332

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2018

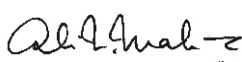
	As At December 31, 2017 (Audited)				
	Corporate finance	Trading & sales	Retail banking	Commercial banking	Total
	Rupees in thousands				
Segment assets - Gross	-	14,227,587	4,718,610	32,485,795	51,431,992
Advance taxation - net	-	-	-	-	50,528
Deferred tax assets - net	-	-	-	-	289,465
Total assets	-	14,227,587	4,718,610	32,485,795	51,771,985
Segment non performing assets	-	-	-	729	729
Segment specific provision required	-	-	-	729	729
Segment liabilities	-	7,029,035	33,508,588	1,602,364	42,139,987

29 DATE OF AUTHORISATION FOR ISSUE

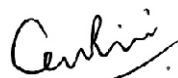
This condensed interim financial information was authorised for issue on April 20, 2018 by the Board of Directors of the Bank.

30 GENERAL

Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.



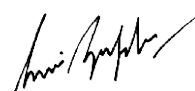
PRESIDENT / CEO



CHIEF FINANCIAL OFFICER



CHAIRMAN



DIRECTOR



DIRECTOR

BRANCH NETWORK

Br. Code	Name of Branch	City	Address	Phone
001	Shahrah-e-Faisal	Karachi	Shahrah e Faisal Branch, Shop 4, 5 Nice Trade Orbit, Karachi	021-34328469
002	Liberty Market	Lahore	9-C, Commercial Zone Liberty Branch Lahore	042-35789830
003	Shah Rukhn E Alam Colony	Multan	17-F, T Chowk Shah Rukhn E Alam Colony, Multan	061-4516460
004	Thandi Sarak	Hyderabad	Ground Floor, Shop No.6 & 7, River View Apartments, Thandi Sarak, Hyderabad	022-2785486
005	Peoples Colony	Faisalabad	668-1, Block-A, Peoples Colony# 1, Faisalabad	041-8556601
006	Jinnah Avenue	Islamabad	52-East Thody Plaza Jinnah Avenue Islamabad	051-2801272
007	Rashid Minhas Road	Karachi	Plot# LM-10, Block-10/A, Main Rashid Minhas Road Karachi	021-34817649
008	DHA Z Block	Lahore	339-Z Block Commercial Area, DHA Phase III, Lahore	042-35692901
009	Bank Road	Rawalpindi	Shahbaz Plaza Bank Road Saddar Bazar Rawalpindi	051-5525434
010	Saddar Road	Peshawar	Tasneem Plaza Saddar Road Peshawar Cantt	091-5272414
011	M. A Jinnah Road Quetta	Quetta	Khasra 418/42,420/43,424/54 M.A Jinnah Road, Quetta	081-2824977
012	Shah Alam Market	Lahore	12-13/6 Block-A, Shah Alam Market Lahore	042-37667813
013	Khayaban-e-Shamsheer	Karachi	Plot No. 10 C, Showroom No. 101, Khayaban-e-Shamsheer, DHA Phase V, Karachi	021-35248771-76
014	M.A Jinnah Road	Karachi	Shop No. 1 & 1-A, Old Survey B-4/2D, Serai Quarter, M.A Jinnah Road, Karachi	021-32402166
015	S.I.T.E Karachi	Karachi	C 18-A, East Avenue, S.I.T.E, Karachi	021-3255191-95
016	Sharifpora Branch	Gujranwala	Sharifpora Chowk G.T Road Gujranwala	055-3251916-17
017	Shahi Road	Rahim Yar Khan	Shahi Road, Firdos Market, New Punjab Sweets, Rahim Yar Khan	068-5876049
018	Club Road	Sargodha	73, Club Road, Civil Line, Sargodha	048-3768633-34
019	F-10 Markaz	Islamabad	Plot No 1-G, F-10 Markaz, Double Road, Islamabad	051-2114301-04
020	Quaidabad	Quaidabad	Plot # 11, Khatooni #1403, Khewet # 862, Quaidabad	0454-880601
021	Allama Iqbal Town	Lahore	132 Jahanzaib Block, Main Boulevard, Allama Iqbal Town, Lahore	042-37813687
022	Stataion Road	Sukkur	Plot No.6/2, Ward-C, Station Road, Sukkur	071-5615132-33
023	Khalid Bin Waleed Road	Karachi	Show Room No.9-11, Plot No.167-A, Block-3, Khalid Bin Waleed Road, Karachi	021-34323051
024	Johar Town Branch	Lahore	87-E, Madina Heights, Maulana Shaukat Ali Road, Johar Town, Lahore	042-35222677
025	Tando Allah Yar	Tando Allahyar	Plot No.1, Survey No. 272/1 Deh Taluka Hyderabad Road Tehsil & District Tando Allah Yar	022-3891467-68
026	Karkhano Market	Peshawar	Unit No. 53-56, G.B. Plaza, Karkhano Market, Jamrud Road, Hayatabad, Peshawar	091-5828444
027	Kotwali Road	Faisalabad	P- 75 / 2, Kotwali Road, Faisalabad	041-2602961-64
028	Farid Town	Sahiwal	Plot# 23, Farid Town, Sahiwal	040-4270713-16
029	Bhimber Road Gujrat	Gujrat	Plot# 143, Mehmda Chowk Near Gujrat Hospital Bhimber Road, Gujrat	053-3601781-83
030	Lahore Road	Sheikhupura	Plot# 4584, Khan Colony Lahore Road, Shiekhpura	056-3501271
031	Satellite Town	Rawalpindi	Property # B-584, Unit # 1, B-Block, Satellite Town, Rawalpindi	051-4571861-65
032	Korangi Branch	Karachi	Plot # 1-A, Sector 23, Korangi Industrial Area, Karachi	021-35122311-13
033	North Nazimabad	Karachi	Shop # 1 & 2 Jasmine Heights, Plot # SC-21/A, H Block, North Nazimabad, Karachi	021-36641761-2
034	Saddar Hyderabad	Hyderabad	Qasr-e-Fatima 90/1-2, Main Saddar Bazar, Hyderabad	022-2731545-46
035	Main Gulberg	Lahore	58, Main Gulberg Branch, Lahore	042-35777788
036	Dhorajee Branch	Karachi	Shop # 5,6 & 7, Al Madina Heights, Plot # 35-C/449, Berar Co-operative Housing Society Block 7 & 8, Dhorajee, Karachi.	021-34940153-157
037	F.B Industrial Area Branch	Karachi	Plot # St – 7, Sector No. 22, KDA Scheme No. 16, F.B Industrial Area, Karachi	0332-3538175
038	Taj Road, Chaman Branch	Chaman	Taj Road, Tehsil Chaman, Baluchistan	0826-615429-30
039	Tehsil Road, Loralai Branch	Loralai	Shop # 372, House # 425, Tehsil Road, District Loralai, Baluchistan	082-4660400
040	Main Balambat Road	Temergara	Zeb Plaza, Main Balambat Road, Timargara, Lower Dir, KPK	0945-825571-3
041	Mingora Sawat	Sawat	Opposite Bank Square Mingora Bazar Sawat, KPK	0946-725374
042	RS Plaza Shamsi Road, Mardan Branch	Mardan	RS Plaza Shamsi Road, Tehsil and District Mardan	0937-870751-53
043	Gardan Town	Lahore	Shop No. 12,13,14, Shan Arcade, Civic Centre, Garden Town, Lahore	042-35941840-41
044	Cavalry Ground	Lahore	Plot No. 7, Cavalry Ground Commercial Area, Walton Road, Lahore Cantt	042-36672180-4
045	Pishin Branch	Pishin	Shop No. 630/634/640, Band Road, Pishin	0826-420875, 0826-420905

Br. Code	Name of Branch	City	Address	Phone
046	Matta Sawat	Sawat	Khatooni No. 28/50, Khasra No. 2309, Mehran Khan Plaza, Main Matta Khareri, Matta Sawat	0946-790612-15
047	Toba Tek Singh	Toba Tek Singh	Plot No. 359, Mall Godam Road , Toba Tek Singh	046-2517327 046-2515427
048	Hazara Town	Quetta	Khasra No. 1102/1041/874/531/1016/250, Lilak Shopping Centre, Barma Road, Ali Abad, Hazara Town, Quetta	0812-853127-28
049	Gawadar	Gawadar	Khasra No. 96/494/495/497/498/499/501, Airport Road, Gawadar	0864-210290-4
050	Dream Garden	Lahore	Shop No. 08 & 09, Blcok C, Dream Garden Housing Society, 1.5 KM Defence Road, Off Raiwind Road, Lahore.	042-35469652
051	Kabal Branch	Sawat	Khasra No. 2262, Khata No. 901, Khatooni No. 1176, Hassan Plaza, Kabal Chowk, Kabal, District Swat	0946-755593-94
052	Sirki Road Branch	Quetta	Khata-2 & Plot No. 136-14/32, Akram Plaza, Sirki Road, Quetta	081-2452931-3
053	Pak Haider, Malakand	Batkheila	Pak Haider Market, next to Malakand CNG, Batkhela District Malakand.	093-2410670-2
054	G-11 Markaz, Islamabad	Islamabad	Shop No. 7,8,25,26, Plot No. 33, G-11 Markaz, Islamabad	054-2361302
055	Chaklala Scheme, Rawalpindi	Rawalpindi	Plot No. 16, Commercial Area, Chaklala Scheme III. Rawalpindi Cantt.	051-5766233,35
056	Nawan Shaher, Multan	Multan	Plot No. 741/F, Ward No.9, Muslim Mouza Ismail, Chowk Nawan Shehar, Multan.	061-4573031-9
057	Gulshan e Iqbal, Karachi	Karachi	Shop No. 1&2, Al- Sammad Tower 13- Gulshan-e-Iqbal, Main University Road, Karachi.	021-34971515
058	Latifabad 07, Hyderabad	Hyderabad	Shop No. 1&2 Plot# 9, Block D, Latifabad#.07, Hyderabad.	022-3821861-5
059	Tando Adam	Tando Adam	Plot #. 543/9 Hyderabad Road, Tando Adam.	023-5571261-2
060	Nawab Shah	Nawab Shah	Plot No. 80, Masjid Road Nawab Shah.	0244-360903-05
061	Anaj Mandi, Larkana	Larkana	PB No. 1641/1/3, Shop No. 1& 2 Ground Floor Ward "A" Gajan Pur Road, Anaj Mandi, Larkana.	074-4040914
062	Saddar, Karachi	Karachi	PB No. 272/1, Ground Floor State Life Building No.11, Abdullah Haroon Road, Saddar Karachi.	021-35681851-53
063	Main Road, Turbat	Turbat	Khatooni No. 73/73, Khasra No. 2161 to 2188, Main Road Turbat.	0852-411152-3,50
064	Expo Centre, Lahore	Lahore	Plot No. 587, Block H-III, Expo Centre, Johar Town, Lahore.	042-35468498
065	Wapda Town, Lahore	Lahore	Plot No. 8, Block D, Phase I, PIA Housing Scheme, Wapda Town, Lahore.	042-35463995-6
066	Tehsil Road, Zhob	Zhob	Plot No. C/159, C/160, Tehsil Road, Zhob.	0822-412257
067	Mansehra Road, Abbottabad	Abbottabad	GM Tower, near Sethi Masjid, Mansehra Road, Abbottabad	099-2408301-04
068	Dharampura, Lahore	Lahore	SE-6R-226/1, Dharampura, Allama Iqbal Road, Lahore.	042-37173833-38
069	Faisal Town, Lahore	Lahore	Main Boulevard Faisal Town, Lahore	042-35202200
070	Chitral	Chitral	Ataliq Bazar, Bypass Road near Bus Adda, Chitral.	0943-414389
071	Sadiqabad	Sadiqabad	19, 20 - D Main Bazar Sadiq Abad	068-5802243
072	JK Sugar Mills	Mian Channu	JK sugar Mill chak no 84/15L Mian Channu	0300-2120388
073	Muhammad Ali Society	Karachi	12-C/B Muhammad Ali Society,Karachi	021-34320831-35
074	Super Highway	Karachi	Shop No 27 28 1-B/3 Main Super Highway Scheme 33	021-36820013
075	Dera Ghazi Khan	D.G. Khan	Ashraf Plaza Block 2 Kacheri road DG Khan	064-2460256-58
076	Safoora Chowk	Karachi	Plot no Sb-15,Block 7,Gulistan E Johar, Scheme 36,Karachi	021-34184191-95

