

MCB Islamic Bank Ltd.

## HALF YEARLY REPORT 2020



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## ABOUT MCB ISLAMIC BANK

MCB Islamic Bank Limited (the Bank) is the wholly owned subsidiary of MCB Bank Limited and commenced its operations in 2015 with nation-wide network of branches.

The aim of MCB Islamic Bank Limited is to be the 1st choice Shari'ah Compliant Financial Services Provider for the customers and to carry out business purely in accordance with the Shari'ah principles with full conviction and devotion.

## MISSION STATEMENT

- To provide innovative Shari'ah compliant financial solutions and quality services to our customers.
- To maximize returns in Halal manner 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
Dr. Khalid Zaheer	Independent Director
Ms. Seema Aziz	Independent Director
Mr. Ahmed Ebrahim Hasham	Non-Executive Director
Mr. Ibrahim Shamsi	Non-Executive Director
Mr. Omair Safdar	Non-Executive Director
Mr. Muhammad Azfar Alam Nomani	President / CEO

### Board Audit Committee

Dr. Khalid Zaheer	Chairman
Ms. Seema Aziz	Member
Mr. Omair Safdar	Member

### Human Resource & Remuneration Committee

Dr. Khalid Zaheer	Chairman
Mr. Raza Mansha	Member
Mr. Omair Safdar	Member

### Risk Management & Portfolio Review Committee

Mr. Omair Safdar	Chairman
Mr. Ahmed Ebrahim Hasham	Member
Mr. Ibrahim Shamsi	Member
Mr. Muhammad Azfar Alam Nomani	Member

### Board Evaluation Committee

Dr. Khalid Zaheer	Chairman
Mr. Omair Safdar	Member

### **Business Strategy & Service Quality Review Committee**

Mr. Raza Mansha	Chairman
Mr. Ahmed Ebrahim Hasham	Member
Ms. Seema Aziz	Member
Mr. Muhammad Azfar Alam Nomani	Member

### **I.T. Committee**

Mr. Raza Mansha	Chairman
Dr. Khalid Zaheer	Member
Mr. Ibrahim Shamsi	Member
Mr. Muhammad Azfar Alam Nomani	Member

### **Shari'ah Board**

Prof. Mufti Munib-ur-Rehman	Chairman
Mufti Syed Sabir Hussain	Resident Shari'ah Board Member
Mufti Nadeem Iqbal	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](http://www.mcbislamicbank.com)

## DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors of MCB Islamic Bank Ltd. (the Bank), I am pleased to present the financial results for the Half Year ended June 30, 2020.

Below are the key financial highlights of the period:

Statement of Financial Position	Jun 30, 2020	Dec 31, 2019	Growth (%)
Investments – <i>net</i>	24,619	16,310	51%
Islamic Financing and Related Assets – <i>net</i>	69,407	51,310	35%
Total Assets	120,447	105,017	15%
Deposits	96,680	81,854	18%
Shareholders' Equity	10,413	10,467	-1%

Profit & Loss Account	Jan – Jun 2020	Jan – Jun 2019	Growth (%)
Net spread earned	2,192	1,734	26%
Other income	333	210	59%
Operating income	2,525	1,944	30%
Operating and other expenses	2,275	2,219	3%
Profit / (loss) before provisions	250	(275)	191%
Provisions against financing & investments	114	150	-24%
Profit / (loss) before taxation	136	(425)	132%
Profit / (loss) after taxation	50	(276)	118%
Basic / diluted earnings / (loss) per share - Rs.	0.04	(0.25)	116%

### Economic Review

Emerging economic positivity started by a broad-based shift towards an accommodative monetary policy stance, subsiding US-China trade tensions and finalization of the Brexit deal indicated recovery in global activity in 2020. However, the outbreak of coronavirus (COVID-19) pandemic has adversely affected the global economy. The global growth currently projected by International Monetary Fund to be negative 4.9% for the Year 2020 which is 1.9% further below from their own forecast in April 2020.

Lockdowns in all parts of the world have led towards significant economic and social disruptions; impacting sectors involving physical interactions especially supply chains and consequently weakening consumer demand. In this regard, the different global containment efforts along with monetary stimulus are directed to reduce systemic stress and related shocks.

On the domestic front in Pakistan, emergence of COVID-19 pandemic has dampened the country's economic growth horizon, unfolding realization of downside risks posed by a hampered consumer demand among temporary business shutdowns and delayed harvest of crops to control the pandemic. The government introduced a stimulus package of over Rs.1.0 trillion to provide relief to its citizens, particularly the low-income groups who have been the most affected by the virus.

In the wake of continuing domestic economic slowdown, the State Bank of Pakistan (SBP) in its Monetary Policy Statement on Jun 25, 2020 decided to further reduce the policy rate to 7% resulting the cumulative monetary easing to 625 basis points since mid of Mar 2020 to commensurate the underlying inflation. National Consumer Price Index (CPI), which was measured at 10.2% for the month of Mar 2020, declined to 8.6% for Jun 2020. In the absence of demand-side pressures, SBP expects the average inflation to fall below the previously announced range of 7 to 9% for next fiscal year.

On the real side, the decline in Large-Scale Manufacturing (LSM) went further down to 41.9% (y/y) in Apr 2020, with high-frequency indicators of activity such as cement dispatches, automobile sales, food and

textile exports, and POL sales continued to contract even in May 2020. The economic slowdown has severely impacted the export sector as international demand has scaled down significantly. In addition, the adverse agricultural conditions have worsened the outlook even further.

During the period under review, the external sector continued to improve with Current Account deficit reduced by 78% to US\$ 2.96 billion during the Fiscal Year (FY) 20, mainly due to the significant reduction in imports and modest growth in workers' remittances. The country's import bill contracted by 18.2% for FY20 as compared to FY19, however, the exports also reduced by 7.2% over the same period. Whereas the worker's remittances increased by 6.36% over last year, US\$ 23.1 billion for FY20. SBP expects the external sector to remain stable primarily due to lower oil prices. FX reserves stood at US\$ 17.9 billion at end of Jun 2020, whereas the exchange rate, which remained relatively stable earlier, has depreciated by 8.34% through Feb-Jun 2020.

On the fiscal front, consolidation achieved earlier in the year reversed as the COVID-19 shock started unfolding. Expenditures increased while revenues saw a sharp decline in their growth during Q4-FY20. Thus, the estimated fiscal deficit to touch 9.0 percent of GDP for FY20, against 4.0 percent recorded during Jul-Mar FY20.

In Pakistan, Islamic banking continues to strengthen its base through its market share at 15.2% (Rs.3.36 trillion) and 16.9% (Rs.2.69 trillion) for assets and deposits respectively as of Mar 2020, with branch network of 3,250 branches.

### Performance Review

Enhanced customer expectations, emerging competition from FinTech's and operational disruptions as a result of the ongoing COVID-19 outbreak are setting the stage for radically reshaping the global as well as the domestic banking landscape.

Pakistan's banking industry is also under great pressure to sustain with its growth trajectory. The sharp decrease in State bank of Pakistan (SBP's) policy rate, significantly reduced economic activity and serious threats of an increased infected portfolio have forced the banks to realign their strategies for both short and long term. However, our banking industry seems to successfully show its resilience towards the gigantic challenge.

Furthermore, SBP also took relief measures to facilitate the banking sector to continue to extend credit to the real economy. These included relaxing Capital Conservation Buffer requirement by 1% from 2.5% to 1.5%, certain deferrals of principal and profit payments on financing facilities, relaxations with respect to restructuring of non-performing loans and waiver of charges on digital transactions to encourage greater use of alternate banking channels.

Despite the manifold challenges, Bank has effectively managed steady growth in deposit base and high quality assets. Supported by an optimal organizational structure, multi-dimensional risk management framework and effective compliance with regulatory instructions, **the Bank has Alhamdulillah attained a Profit before tax of Rs.136 million for the Half Year ended Jun 30, 2020 compared to a pre-tax loss of Rs.425 million for the same period in preceding year.**

The asset base of the Bank has reached at Rs.120 billion as of Jun 30, 2020 with 15% increase over Dec 31, 2019. The net Financing was closed at Rs.69.4 billion with an increase of 35% from Dec 31, 2019 position of Rs.51.3 billion. Investments have grown by 35% mainly due to additional investment in GoP Ijara Sukuk, closing at Rs.24.6 billion as of Jun 30, 2020 against Rs.16.3 billion at Dec 31, 2019.

On the other hand, the Deposits of the bank have crossed Rs.96.7 billion with 18% increase over the last year end, with accumulation of no and low-cost deposits as a key focus of the Bank during the period under review. The Bank's CASA mix stands at a healthy rate of 77% with non-remunerative Deposits constituting 33% of total deposit mix of the Bank as of Jun 30, 2020.



During the period under review, the Bank earned total revenue of Rs.5.6 billion, compared to Rs.4.6 billion for the corresponding period of last year depicting an increase of 21.7%. Return on earning assets stood at the level of 11.6% while the cost of funds was at 6.16% resulting in a net spread of 5.4% for the period under review. On the expense side, an increase of only 3% from the corresponding period last year despite inflationary pressure show the management's cautious approach to achieve sustainable profitability.

Despite the country's restrained economy and bearish capital market performance, the Bank has progressively increased its Balance Sheet spreads, resulting in the Bank's P&L improving significantly with an after tax profit of Rs.50 million for the period under review compared to the loss of Rs.276 million for the corresponding period of last year. The earnings per share after tax has improved to Rs.0.04 for the period under review against loss per share of Rs.0.25 in the same period of last year.

The Bank remains fully committed to supporting its customers and staff in helping them cope with COVID - 19 related challenges, by taking every possible step to safeguard the health of its staff while maintaining the ability to serve its customers. For this purpose, the Bank's Business Continuity Plans (BCP) were activated which included maximum staff working from home and providing VPN access to them, where required. These measures helped minimizing the risk of exposure to the disease and ensuring social distancing.

### Credit Rating

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 positive outlook.

### Future Outlook

The Pakistan's economy continues to face higher downside risks due to uncertainty owing to the political issues, growth trajectory and pandemic related challenges. Whereas the banks will be impacted with respect to increase in overall credit risk, reduced fee income, operational issues, managing cyber security threats, managing liquidity position due to SBP mitigation measure, maturity profile, impairment of investment and foreign exchange risk.

In view of above, the Bank is determined to continue with its strategy of long-term sustainable profitability by focusing on strengthening the credit review procedures, maintaining adequate liquidity and capital adequacy buffers, mobilization of low cost deposits and containment of operating costs.

### Acknowledgment

On behalf of the Board of Directors and management, I wish to express my 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 & 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.

We conclude with the du'aa of our Prophet(s): "O Allah, save us from this calamity and this disease". Ameen

**For and on behalf of the Board of Directors**



**Raza Mansha**  
Chairman  
Aug 18, 2020

## مستقبل کی پیش بینی :

سیاسی معاملات، ترقی کی رفتار اور اس عالمگیر وباء کے پیدا کردہ خدشات سے نمودار ہونے والی غیر یقینی کی وجہ سے پاکستان کی معیشت کئی منفی رجحانات کا مسلسل سامنا کر رہی ہے۔ جبکہ بینکوں پر کئی دیگر عوامل مختلف طرح سے اثر انداز ہو سکتے ہیں جن میں قرضہ جات کے پورٹ فولیو سے متعلقہ مجموعی کریڈٹ رسک میں اضافہ، فیس کی آمدنی میں کمی، دیگر کاروباری معاملات، سائبر سیکیورٹی خدشات کا تدارک، اسٹیٹ بینک آف پاکستان کے مصالحانہ اقدامات کی وجہ سے اپنی سیال پذیری کا انتظام، مچپورٹی پروفائل، سرمایہ کاری کے نقصانات کے لیے اخراجات کا تعین اور غیر ملکی کرنسیوں کے تبادلہ سے جڑے خدشات شامل ہیں۔

مندرجہ بالا اسباب کی روشنی میں بینک قرض کی جانچ کے طریقہ کار، موزوں سیال پذیری اور سرمائے کی معقولیت نقصان دہ اثرات کے تدارک کے انتظام، کم یا بغیر لاگت کے ڈیپازٹس کے حصول اور اپنی کاروباری لاگت کو کم کرنے پر اپنی توجہ مرکوز رکھتے ہوئے اپنے منافع کی طویل المدت اور دیرپا ترقی کی حکمت عملی کو جاری رکھنے پر مکمل طور پر کاربند ہے۔

## تسلیم و تحسین :

بورڈ آف ڈائریکٹرز اور انتظامیہ 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، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر انضباطی اداروں کا انکی جاری معاونت اور رہنمائی پر بھی بے حد مشکور ہوں۔ بورڈ آف ڈائریکٹرز اپنے تمام ملازمین کی خدمات کا پُر خلوص اعتراف کرتے ہیں جنکی بدولت ادارے نے مشکل ماحول میں بھی شاندار ترقی کی ہے۔

ہم اپنے نبی ﷺ کی اس دعا پر اختتام کرتے ہیں، "اے اللہ! ہم سب کو اس آفت اور اس وباء سے محفوظ فرما"۔ آمین

منجانب و برائے بورڈ آف ڈائریکٹرز:

رضا منشاء

چیرمین

18 اگست 2020ء

**35 فیصد** کی نمو ہوئی جو کہ **31 دسمبر 2019** کی **16.3** بلین روپے کی سطح کے مقابلہ میں **30 جون 2020ء** تک **24.6** بلین روپے پر درج کی گئی۔

دوسری طرف ڈیپازٹس گزشتہ سال کی اختتامی سطح سے **18 فیصد** کے اضافہ کے ساتھ **96.7** بلین روپے پر درج ہوئے۔ جس میں بغیر یا کم لاگت کے ڈیپازٹس کا حصول اور اسکی جامعیت اس زیر تجزیہ عرصہ کے دوران بینک کے کلیدی مقاصد کے طور پر برقرار رہی۔ بینک کے کاسا (CASA) کی ترکیب **77 فیصد** کی توانا شرح پر رہی جس کے ساتھ ساتھ **30 جون 2020ء** تک غیر پیداواری ڈیپازٹس کی شرح کل ڈیپازٹس کا **33 فیصد** رہی۔

اس زیر تجزیہ عرصہ کے دوران، بینک نے گزشتہ سال کے تقابلی عرصہ کی **4.6** بلین روپے کی نسبت **21.7** فیصد کے اضافے کو ظاہر کرتے ہوئے **5.6** بلین روپے کی کل آمدنی حاصل کی۔ پیداواری اثاثہ جات کی آمدنی **11.6** فیصد کی سطح پر رہی جبکہ سرمائے کی لاگت **6.16** فیصد رہی۔ یوں اس زیر نظر مدت کے دوران خالص سپریڈ کی شرح **5.4** فیصد پر درج ہوئی۔ اخراجات کی مد میں، کاروباری اخراجات میں افراط زر کی بلند شرح کے دباؤ کے باوجود صرف **3** فیصد کا اضافہ دیکھا گیا، جو کہ بینک کی انتظامیہ کی جانب سے دیرپا منافع کے حصول کیلئے کی جانے والی مدبرانہ کوششوں کا مظہر ہے۔

ملک میں معیشت اور کیپٹل مارکیٹ کی ناقص کارکردگی کے باوجود اپنے میزانیہ (بیلنس شیٹ) کے سپریڈز (Spreads) میں بتدریج اضافہ کے باعث بینک کے نفع و نقصان میں نمایاں بہتری نظر آئی جس کے ساتھ بینک کا منافع بعد از ٹیکس گزشتہ سال کے تقابلی عرصہ میں حاصل شدہ **276** بلین روپے کے نقصان کے موازنے میں **50** بلین روپے کی سطح پر درج ہوا۔ فی شیئر آمدنی بعد از ٹیکس گزشتہ سال کے مماثلٹی عرصہ کی **0.25** روپے فی شیئر کے نقصان کی نسبت اس زیر تجزیہ عرصہ میں **0.04** روپے فی شیئر پر ریکارڈ کیا گیا۔

بینک اپنے ملازمین کی صحت کی حفاظت کے لیے ہر ممکن قدم اٹھانے اور اپنے صارفین کو خدمات کی فراہمی کی صلاحیت کو برقرار رکھتے ہوئے اپنے صارفین اور ملازمین کی مدد کے لیے ہمہ وقت پر عزم اور تیار ہے تاکہ وہ کووڈ - 19 سے متعلق مشکلات کا مقابلہ کرسکیں اس مقصد کے پیش نظر، بینک نے اپنے کاروبار جاری رکھنے کے نظام بزنس کوئی نیوٹی پلان بی سی پی (Business Continuity Plan - BCP) کو نافذ کیا جس کے تحت، بقدرے ضرورت، زیادہ تر ملازمین کو وی پی این (VPN) کی رسائی کے ساتھ گھر سے کام کرنے کی ہدایت کی گئی۔ ان اقدامات سے سماجی فاصلوں کو یقینی بناتے ہوئے اس وباء سے کم از کم سامنا کرنے میں مدد ملے گی۔

## کریڈٹ ریٹنگ :

پاکستان کریڈٹ ریٹنگ ایجنسی (پاکرا) نے مثبت بنی کے ساتھ بینک کی درمیانی سے طویل المدت ریٹنگ کو "A" (اے) اور قلیل المدت ریٹنگ کو "A-1" (اے ون) کی سطح پر برقرار رکھا ہے۔

شعبہ میں اعتدال برقرار رہے گا۔ زرمبادلہ کے ذخائر جون 2020ء تک 17.9 بلین امریکی ڈالرز پر رہے۔ جبکہ شرح تبادلہ جو پہلے قدرے استحکام کا مظاہرہ کر رہی تھی، اس میں فروری تا جون 2020ء تک 8.34 فیصد کمی فرسودگی ہوئی۔

مالیاتی محاذ پر، گزشتہ عرصہ میں حاصل کی گئی جامعیت، کووڈ - 19 کے اثرات کے شروع ہوتے ہی واپسی کے رخ پُر مڑ گئی۔ مالی سال 2020ء کی چوتھی سہ ماہی کے دوران اخراجات کی مد میں اضافہ اور آمدنی کی نمو میں تیزی سے کمی دیکھی گئی۔ لہذا، مالی سال 2020ء کے لیے متوقع مالی خسارہ کی شرح مالی سال 20 - 2019 کے جولائی تا مارچ کی مدت کے ریکارڈ شدہ 4 فیصد کی شرح کے مقابلہ میں جی ڈی پی کا 9 فیصد تک پہنچنے کا اندیشہ ہے۔

پاکستان میں اسلامی بینکاری مارچ 2020ء تک کے اپنے اثاثہ جات اور ڈیپازٹس مارکیٹ شیئر کی بالترتیب 15.2 فیصد (3.36 ٹریلین روپے) اور 16.9 فیصد (2.69 ٹریلین روپے) کی شرح اور 3,250 برانچوں کے نیٹ ورک کے ساتھ اپنی اساس کو مضبوط بنانے میں سرگرم عمل ہے۔

## کارکردگی کا جائزہ :

صارفین کی بڑھتی توقعات، فین ٹیک (FinTech) سے ابھرتی مسابقت اور کووڈ - 19 کے جاری پھیلاؤ کے نتیجے میں ہونے والی کاروباری رخنہ اندازیاں، ملکی اور غیر ملکی بینکوں کے معاملات کو نئے خطوط پر استوار کر رہی ہیں۔

پاکستان کی بینکنگ کی صنعت اپنی ترقی کے بہاؤ کے ساتھ ساتھ شدید دباؤ کا بھی شکار ہے۔ اسٹیٹ بینک آف پاکستان کی جانب سے پالیسی ریٹ میں تیزی، نمایاں طور پر تنزیلی کا شکار معاشی سرگرمیاں اور قرضوں کے پورٹ فولیو کے متاثر اور غیر فعال ہونے کے سنجیدہ خطرات نے بینکوں کو اپنی قلیل اور طویل مدت کی حکمت عملیوں پر نظر ثانی اور تشکیل نو پر مجبور کر دیا ہے۔ تاہم، ہماری بینکنگ کی صنعت کامیابی کے ساتھ اس مہیب خطرے سے نبرد آزما ہے۔ مزید برآں، اسٹیٹ بینک آف پاکستان نے حقیقی معیشت میں سرمایہ / قرض کی فراہمی کو یقینی بنانے کے لیے بینکنگ کے شعبہ کی سہولت کے لیے امدادی اقدامات اٹھائے ہیں۔ اس میں سرمایہ کے تحفظ کی حد (کیپٹل کنزرویشن بفر) میں ایک فیصد کی کمی یعنی 2.5 فیصد سے 1.5 فیصد، قرضوں کی اصل اور منافع کی رقم کی ادائیگی میں تاخیر، غیر فعال قرضوں کی تعمیر نو کے حوالے سے آسانیاں اور بینکنگ کے متبادل ذرائع کے استعمال میں فروغ کے لیے بلا معاوضہ ڈیجیٹل لین دین شامل ہیں۔

ان خدشات کے باوجود، بینک نے اپنے ڈیپازٹ کی اساس میں پائیدار نمو اور اثاثہ جات کے اعلیٰ ترین معیار کے حصول کی خاطر اپنے سرمائے کو نہایت دانشمندانہ طریقہ سے استعمال کیا ہے۔ اس عمل میں موزوں ترین تنظیمی ڈھانچے، کثیر الجہت خدشات کے تدارک کے مضبوط نظام اور موثر تعمیلی اور انضباطی ہدایات کی مدد شامل رہی جن کی بدولت بینک نے الحمد للہ گزشتہ سال کے اسی تقابلی عرصہ کے 425 ملین کے نقصان قبل از ٹیکس کی نسبت 30 جون 2020ء کو اختتام پذیر ششماہی کے لیے 136 ملین کا قبل از ٹیکس منافع حاصل کیا ہے۔

بینک کے اثاثہ جات کی اساس 31 دسمبر 2019 سے 15 فیصد کے اضافہ کے ساتھ 30 جون 2020ء تک 120 بلین روپے پر جا پہنچی۔ خالص قرضہ جات 31 دسمبر 2019 کے 51.3 بلین روپے کے حجم سے 35 فیصد کے اضافہ کے ساتھ 69.4 بلین روپے پر بند ہوئے۔ حکومت پاکستان کے اجارہ سکوک بانڈز میں اضافی سرمایہ کاری کی بدولت

وائرس کووڈ - 19 کی عالمی وباء کے پھیلاؤ نے عالمی معیشت کو شدید متاثر کیا۔ سال 2020ء کے لیے عالمی مالیاتی فنڈ کے حالیہ تخمینے کے مطابق عالمی شرح نمو منفی 4.9 فیصد ہے جو کہ اپریل 2020ء میں اس کے اندازے سے مزید 1.9 فیصد کم ہے۔

دنیا بھر میں لاک ڈاؤن سے کئی معاشی اور سماجی خلل پیدا ہوئے ہیں۔ ایسے شعبے جہاں شخصی تعامل درکار ہے زیادہ متاثر ہوئے خصوصاً رسد کی فراہمی کے ادارے، جس کے نتیجے میں صارفین کی طلب میں کمی واقع ہوئی۔ اس سلسلے میں مسلسل دباؤ اور اس سے متعلقہ اثرات کو زائل کرنے کے لیے عالمی سطح پر تدارک نہ اقدامات اور مالی معاونت جیسی تدابیر اختیار کی گئیں۔

داخلی محاذ پر پاکستان میں، کووڈ - 19 کی عالمگیر وباء کے ظہور نے کاروبار کی عارضی بندش اور فصلوں کی کٹائی میں تاخیر جیسے عوامل کی وجہ سے اتر ہوتی صارفین کی طلب سے جڑے خدشات کو نمایاں کرتے ہوئے ملک کی معاشی نمو کی صورتحال کو متاثر کیا۔ حکومت نے 1 ٹریلین روپے سے زائد رقم کے امدادی پیکیج کا بھی اعلان کیا تاکہ اپنے شہریوں اور خاص طور پر کم آمدنی والے افراد جو اس وائرس سے زیادہ متاثر ہوئے ہیں، کی امداد کی جاسکے۔

داخلی معاشی سست روی کے تناظر میں، اسٹیٹ بینک آف پاکستان نے اپنے مالیاتی پالیسی بیانیہ بتاریخ 25 جون 2020ء میں موجودہ افراط زر کی مطابقت میں پالیسی ریٹ کو کم کرتے ہوئے اس کی شرح 7 فیصد پر تعین کی ہے۔ یوں مارچ 2020ء سے اب تک مجموعی طور پر 625 پیسز پوائنٹس کی مالی آسانی فراہم کی گئی ہے۔ صارفین کی قیمتوں کا قومی انڈیکس (National Consumer Price Index-CPI) جس کی شرح مارچ 2020ء کے ماہ میں 10.2 فیصد پر متعین کی گئی تھی، جون 2020ء میں کم ہوتے ہوئے 8.6 فیصد پر درج کیا گیا۔ طلب کے دباؤ کے فقدان کے باعث، اسٹیٹ بینک آف پاکستان کو توقع ہے کہ اگلے مالی سال میں اوسط افراط زر سابقہ اعلان شدہ 7 فیصد تا 9 فیصد کے تناسب سے کم رہے گا۔

بڑے پیمانے کی صنعت سازی اپریل 2020ء تک (سال بہ سال کی بنیاد پر) 41.9 فیصد کی مزید کمی کا شکار ہوئی۔ جبکہ سیمنٹ کی ترسیل، گاڑیوں کی فروخت، خوراک اور ٹیکسٹائل کی برآمدات اور تیل کی قیمتوں، جیسے اشاریوں میں مئی 2020ء میں مزید کمی دیکھی گئی۔ معیشت کی سست رفتاری نے برآمدات کے شعبہ پر، بین الاقوامی طلب کے تیزی سے گرنے کے سبب، گہرے اثرات مرتب کئے ہیں۔ مزید برآں، زرعی شعبہ میں ناموافق صورتحال نے اس کی پیش بینی کو مزید مشکل کر دیا ہے۔

اس زیر تجزیہ عرصہ میں بیرونی شعبہ میں بہتری کا رجحان برقرار رہا۔ کیونکہ کرنٹ اکاؤنٹ کا خسارہ، مالی سال 2020ء کے دوران 78 فیصد کی کمی کے باعث 2.96 بلین امریکی ڈالرز تک پہنچ گیا۔ اس کمی کے بنیادی عوامل میں درآمدات میں کمی اور افرادی ترسیلات زر میں قدرے اضافہ ہے۔ ملک کی درآمدات کا بل مالی سال 2019ء کے مقابلہ میں مالی سال 2020ء میں 18.2 فیصد تک سکر گیا۔ تاہم، برآمدات میں بھی اسی مدت میں 7.2 فیصد کمی ہوئی۔ جبکہ افرادی ترسیلات زر گزشتہ سال سے 6.36 فیصد اضافہ کے ساتھ مالی سال 2020ء میں 23.1 بلین امریکی ڈالرز کی سطح پر رپورٹ ہوئیں۔ اسٹیٹ بینک آف پاکستان کی توقع کے مطابق تیل کی گرتی ہوئی قیمتوں کی بنیادی وجہ سے بیرونی

## ممبران کیلئے ڈائریکٹرز کی رپورٹ :

میں انتہائی مسرت کے ساتھ ایم سی بی اسلامک بینک لمیٹڈ (بینک) کے بورڈ آف ڈائریکٹرز کی جانب سے، 30 جون 2020ء کو ختم ہونے والے ششماہی کے مالیاتی نتائج پیش کر رہا ہوں۔  
اس عرصہ کی اہم مالیاتی جھلکیاں مندرجہ ذیل ہیں :

مالیاتی پوزیشن کی اسٹیٹمنٹ	30 جون 2020	31 دسمبر 2019	شرح نمو (%)
	ملین روپے		
سرمایہ کاری - خالص	24,619	16,310	51%
اسلامک فنانسنگ - خالص	69,407	51,310	35%
کل اثاثہ جات	120,447	105,017	15%
ڈیبٹرز	96,680	81,854	18%
حصص یافتگان کی ایکویٹی - خالص	10,413	10,467	(1)%

نفع و نقصان کا اکاؤنٹ	جنوری - جون 2020	جنوری - جون 2019	شرح نمو (%)
	ملین روپے		
خالص آمدنی	2,192	1,734	26%
دیگر آمدنی	333	210	59%
کاروباری آمدنی	2,525	1,944	30%
آپریٹنگ (کاروباری) و دیگر اخراجات	2,275	2,219	3%
نفع / (نقصان) قبل از پروویژنز	250	(275)	191%
سرمایہ کاری اور فنانسنگ کے عوض پروویژنز	114	150	(24)%
نفع / (نقصان) قبل از ٹیکس	136	(425)	132%
نفع / (نقصان) بعد از ٹیکس	50	(276)	118%
بنیادی / تحلیل شدہ نفع / (نقصان) فی شیئر (حصص) روپے	0.04	(0.25)	116%

## معاشی جائزہ :

امریکہ اور چین کے مابین کم ہوتے تجارتی تناؤ، بریگزٹ معاہدہ کی تکمیل اور ایک معاون مالیاتی پالیسی کی جانب وسیع البیاد منتقلی سے اُبھرتے معاشی اثبات نے سال 2020ء میں عالمی سرگرمیوں کی بحالی کا تاثر دیا۔ تاہم، کرونا



## INDEPENDENT AUDITOR'S REVIEW REPORT

**To the members of MCB Islamic Bank Limited (“the Bank”)**

### **Report on review of Interim Financial Statements**

#### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of the Bank as at 30 June 2020 and the related condensed interim statement of profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (herein-after referred to as the “interim financial statements”). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

#### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

#### **Other matters**

The figures for the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended 30 June 2020 have not been reviewed and we do not express a conclusion on them.

The engagement partner on the engagement resulting in this independent auditor’s review report is M. Rehan Chughtai.

**Lahore**

**Date: 27 August 2020**



**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**



**MCB Islamic Bank Ltd.**

**CONDENSED INTERIM FINANCIAL STATEMENTS**



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2020**

	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
<b>ASSETS</b>			
Rupees in thousands			
Cash and balances with treasury banks	8	10,290,578	10,252,547
Balances with other banks	9	1,833,108	8,822,985
Due from financial institutions	10	1,128,790	5,851,664
Investments - net	11	24,619,401	16,309,800
Islamic financing and related assets - net	12	69,407,484	51,309,967
Fixed assets	13	5,577,869	5,779,772
Intangible assets	14	671,148	719,723
Deferred tax assets - net	15	978,470	921,017
Other assets - net	16	5,940,403	5,049,786
		120,447,251	105,017,261
<b>LIABILITIES</b>			
Bills payable	18	2,108,670	973,627
Due to financial institutions	19	3,685,418	4,127,526
Deposits and other accounts	20	96,679,809	81,853,511
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debts		-	-
Deferred tax liabilities - net		-	-
Other liabilities	21	7,560,059	7,595,796
		110,033,956	94,550,460
<b>NET ASSETS</b>			
		10,413,295	10,466,801
<b>REPRESENTED BY</b>			
Share capital	22	11,550,000	11,550,000
Reserves	23	36,474	26,444
Surplus on revaluation of assets - net of tax	24	317,837	422,326
Accumulated loss		(1,491,016)	(1,531,969)
		10,413,295	10,466,801

**CONTINGENCIES AND COMMITMENTS**

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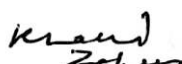
The annexed notes 1 to 42 form an integral part of these condensed interim financial statements.



**Syed Iftikhar Hussain Rizvi**  
Chief Financial Officer



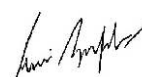
**Muhammad Azfar Alam Nomani**  
President / Chief Executive



**Khalid Zaheer**  
Director



**Raza Mansha**  
Director



**Omair Safdar**  
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2020**

		Quarter ended June 30, 2020	Half Year ended June 30, 2020	Quarter ended June 30, 2019	Half Year ended June 30, 2019
Note					
		Rupees in thousands			
	Profit / return earned	26	2,671,478	5,233,242	2,373,725
	Profit / return expensed	27	1,436,452	3,041,319	1,398,120
	Net spread earned		1,235,026	2,191,923	975,605
					1,733,871
<b>OTHER INCOME</b>					
	Fee and commission income	28	66,738	137,243	75,544
	Dividend income		10,033	17,799	32,582
	Foreign exchange income		(3,756)	105,543	38,574
	Gain / (loss) on securities	29	9,226	9,590	(10,268)
	Other income	30	57,551	62,857	4,336
	Total other income		139,792	333,032	140,768
					210,573
	Total income		1,374,818	2,524,955	1,116,373
					1,944,444
<b>OTHER EXPENSES</b>					
	Operating expenses	31	1,177,191	2,268,619	1,098,427
	Workers welfare fund		4,145	5,816	-
	Other charges	32	-	60	(34)
	Total other expenses		1,181,336	2,274,495	1,098,393
					2,219,930
	Profit / (loss) before provisions		193,482	250,460	17,980
	Provisions and write offs - net	33	79,812	114,236	112,172
	Extra ordinary / unusual items		-	-	-
					(275,486)
					149,669
	<b>PROFIT / (LOSS) BEFORE TAXATION</b>		113,670	136,224	(94,192)
					(425,155)
	Taxation	34	69,721	86,073	(78,206)
					(148,787)
	<b>PROFIT / (LOSS) AFTER TAXATION</b>		43,949	50,151	(15,986)
					(276,368)
-----Rupees-----					
	<b>Basic and diluted earnings / (loss) per share - after tax</b>	35	0.038	0.043	(0.014)
					(0.247)

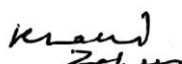
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**Syed Iftikhar Hussain Rizvi**  
Chief Financial Officer



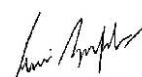
**Muhammad Azfar Alam Noman**  
President / Chief Executive



**Khalid Zaheer**  
Director



**Raza Mansha**  
Director



**Omair Safdar**  
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2020**

	Quarter ended June 30, 2020	Half Year ended June 30, 2020	Quarter ended June 30, 2019	Half Year ended June 30, 2019
	Rupees in thousands			
Profit / (loss) after taxation for the period	43,949	50,151	(15,986)	(276,368)
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>				
Movement in surplus / (deficit) on revaluation of investments	146,036	(159,472)	(119,840)	(83,879)
Related deferred tax (liability) / assets	(51,113)	55,815	41,944	29,358
	94,923	(103,657)	(77,896)	(54,521)
<b>Total comprehensive profit / (loss)</b>	<u>138,872</u>	<u>(53,506)</u>	<u>(93,882)</u>	<u>(330,889)</u>

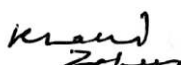
The annexed notes 1 to 42 form an integral part of these condensed interim financial statements.



**Syed Iftikhar Hussain Rizvi**  
Chief Financial Officer



**Muhammad Azfar Alam Nomani**  
President / Chief Executive



**Khalid Zaheer**  
Director



**Raza Mansha**  
Director



**Omair Safdar**  
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2020

	Share Capital	Statutory Reserve	Surplus / (deficit) on revaluation of		Accumulated loss	Total
			Investments	Fixed Assets		
			Rupees in thousands			
Balance as at January 01, 2019	11,200,000	26,444	(52,047)	184,319	(1,289,202)	10,069,514
<b>Change in equity for the half year ended June 30, 2019</b>						
<b>Total comprehensive loss for the half year ended June 30, 2019</b>						
Loss for the half year ended June 30, 2019	-	-	-	-	(276,368)	(276,368)
Other comprehensive loss- net of tax	-	-	(54,521)	-	-	(54,521)
	-	-	(54,521)	-	(276,368)	(330,889)
Transfer from surplus on revaluation of fixed assets to unappropriated profit in respect of incremental depreciation - net of tax	-	-	-	(422)	422	-
<b>Balance as at June 30, 2019 (Un-audited)</b>	<b>11,200,000</b>	<b>26,444</b>	<b>(106,568)</b>	<b>183,897</b>	<b>(1,565,148)</b>	<b>9,738,625</b>
<b>Change in equity for the six months ended December 31, 2019</b>						
<b>Total comprehensive income for the six months period ended December 31, 2019</b>						
Profit for the six months period ended December 31, 2019	-	-	-	-	32,756	32,756
Other comprehensive income - net of tax	-	-	215,072	130,348	-	345,420
	-	-	215,072	130,348	32,756	378,176
Transfer from surplus on revaluation of fixed assets to unappropriated profit in respect of incremental depreciation - net of tax	-	-	-	(423)	423	-
<b>Transactions with owners, recorded directly in equity</b>						
Issue of right shares	350,000	-	-	-	-	350,000
<b>Balance as at December 31, 2019 (Audited)</b>	<b>11,550,000</b>	<b>26,444</b>	<b>108,504</b>	<b>313,822</b>	<b>(1,531,969)</b>	<b>10,466,801</b>
<b>Change in equity for half year ended June 30, 2020</b>						
<b>Total comprehensive income / (loss) for the half year ended June 30, 2020</b>						
Profit for the half year ended June 30, 2020	-	-	-	-	50,151	50,151
Other comprehensive loss - net of tax	-	-	(103,657)	-	-	(103,657)
	-	-	(103,657)	-	50,151	(53,506)
Transfer to statutory reserve	-	10,030	-	-	(10,030)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit in respect of incremental depreciation - net of tax	-	-	-	(832)	832	-
<b>Balance as at June 30, 2020 (Un-audited)</b>	<b>11,550,000</b>	<b>36,474</b>	<b>4,847</b>	<b>312,990</b>	<b>(1,491,016)</b>	<b>10,413,295</b>

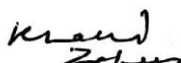
The annexed notes 1 to 42 form an integral part of these condensed interim financial statements.



Syed Iftikhar Hussain Rizvi  
Chief Financial Officer



Muhammad Azfar Alam Nomani  
President / Chief Executive



Khalid Zaheer  
Director



Raza Mansha  
Director



Omair Safdar  
Director



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2020**

	Note	June 30 2020	June 30 2019
<b>Rupees in thousands</b>			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit / (loss) before taxation		136,224	(425,155)
Less: Dividend income		17,799	44,007
		<u>118,425</u>	<u>(469,162)</u>
<b>Adjustments</b>			
Depreciation - Owned assets		179,188	132,590
Depreciation - Right of use of assets		219,592	197,319
Depreciation - Ijarah assets		522,332	470,382
Amortization		66,886	54,447
Unwinding of liability against right of use assets		197,307	163,541
Provision and written off - net	33	114,236	149,669
Unrealized gain on forward exchange contracts - net		(131,549)	(7,476)
(Gain) / loss on sale of fixed assets - net	30	(32)	18
(Gain) / loss on sale of securities - net	29	(9,590)	43,077
		<u>1,158,370</u>	<u>1,203,567</u>
		<u>1,276,795</u>	<u>734,405</u>
<b>(Increase) / decrease in operating assets</b>			
Due from financial institutions		4,722,874	(411,664)
Islamic financing and related assets		(18,724,085)	2,621,842
Other assets		(788,360)	(3,210,202)
		<u>(14,789,571)</u>	<u>(1,000,024)</u>
<b>Increase / (decrease) in operating liabilities</b>			
Bills payable		1,135,043	(212,960)
Due to financial institutions		(444,854)	(2,000,180)
Deposits and other accounts		14,826,298	9,898,249
Other liabilities		(7,229)	2,145,974
		<u>15,509,258</u>	<u>9,831,083</u>
		<u>1,996,482</u>	<u>9,565,464</u>
Income tax paid		(81,231)	(60,574)
<b>Net cash generated from operating activities</b>		<u>1,915,251</u>	<u>9,504,890</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investments in available-for-sale securities		(8,584,484)	(4,160,301)
Net investments in held-to-maturity securities		115,000	(1,425,891)
Dividend received		17,799	42,932
Investments in fixed assets		(120,991)	(331,000)
Proceeds from sale of fixed assets		56	249
Investments in intangible assets		(8,984)	(94,535)
<b>Net cash used in investing activities</b>		<u>(8,581,604)</u>	<u>(5,968,546)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Payment against ROU asset		(288,239)	(135,835)
<b>Net cash used in financing activities</b>		<u>(288,239)</u>	<u>(135,835)</u>
<b>(Decrease) / increase in cash and cash equivalents during the period</b>		<u>(6,954,592)</u>	<u>3,400,509</u>
Cash and cash equivalents at the beginning of the period		19,075,532	8,331,201
<b>Cash and cash equivalents at the end of the period</b>	36	<u>12,120,940</u>	<u>11,731,710</u>

The annexed notes 1 to 42 form an integral part of these condensed interim financial statements.

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Chief Financial Officer

**Muhammad Azfar Alam Nomani**  
President / Chief Executive

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Director

**Raza Mansha**  
Director

**Omair Safdar**  
Director

## NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2020

### 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 (repealed after the enactment of the Companies Act, 2017) 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, micro finance, investment and retail banking activities.
- 1.3** The Bank is operating through 179 branches in Pakistan (December 31, 2019: 185 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 positive outlook.

### 2 BASIS OF PRESENTATION

- 2.1** The Bank provides financing through Shari'ah compliant financing products mainly through Murabaha, Istisna, Salam, 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 condensed interim 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.
- 2.3** The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the State Bank of Pakistan through BPRD Circular Letter No. 5 dated March 22, 2019 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 these condensed interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2019.

### 3 STATEMENT OF COMPLIANCE

- 3.1** 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 as applicable in Pakistan comprise of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
  - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
  - Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
  - Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Wherever the requirements of the Banking Companies Ordinance, 1962, Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The State Bank of Pakistan has deferred the applicability of IFAS 3 'Profit and Loss Sharing on Deposits', through BPRD Circular No.04 dated February 25, 2015, International Financial Reporting Standard 9, 'Financial Instruments' through BPRD Circular No. 04 of 2019 dated October 23, 2019 and International Accounting Standards 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002.

The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of IFRS 7 'Financial Instruments: Disclosures' on banks through S.R.O 411(1) / 2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.

### 3.2 Amendments to approved accounting standards that are effective in the current period

There are certain new standards and interpretations of and amendments to existing accounting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2020. These are considered either to not be relevant or not to have any significant impact on the Bank's condensed interim financial statements.

### 3.3 Standards, interpretations of and amendments to approved accounting standards that are not yet effective

The following new standards and amendments to existing accounting standards will be effective from the dates mentioned below against the respective standard or amendment:

	Effective date (annual periods beginning on or after)
IAS 1, Presentation of Financial Statements (Amendments)	January 1, 2022
IAS 16, Property, plant and equipment (Amendments)	January 1, 2022
IAS 37, Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IFRS 17, Insurance Contracts	January 1, 2021

The SECP, through SRO 229(I)/2019 dated February 14, 2019, has notified that IFRS 9, Financial Instruments, is applicable for accounting periods ending on or after June 30, 2019. However, as per BPRD Circular No. 04 of 2019 dated October 23, 2019 of SBP, effective date of IFRS 9 implementation is January 01, 2021.

IFRS 9, Financial Instruments: Classification and Measurement, addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on an 'expected credit losses' (ECL) approach rather than the 'incurred credit losses' approach as currently followed. The ECL approach has an impact on all assets of the Bank which are exposed to credit risk. The Bank is in the process of assessing the full impact of this standard.

There are other new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these condensed interim financial statements.

## 4 BASIS OF MEASUREMENT

4.1 These condensed interim financial statements have been prepared under the historical cost convention, except that certain classes of fixed assets are stated at revalued amounts and 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.

4.2 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.

## 5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

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 financial statements of the Bank for the year ended December 31, 2019 except as explained in note 7.1

## 6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Bank for the year ended December 31, 2019.

## 7 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2019. These risk management policies continue to remain robust and the Bank is reviewing its portfolio regularly and conducts rapid portfolio reviews in line with emerging risks.

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rate by 625 basis points since the beginning of the year, to 7% in June 2020. Other regulatory measures to provide an impetus to economic activity include the following:

- Reduction in the capital conservation buffer by 100 basis points to 1.5%;
- Increasing the regulatory limit on extension of financing to SMEs to Rs 180 million;
- Relaxing the debt burden ratio for consumer financing from 50% to 60%;
- Allowing banks to defer customers' principal loan payments by one year and or restructure / reschedule financing for customers who require relief of principal repayment exceeding one year and / or profit with no reflection on credit history; and
- Introduction of refinancing schemes for payment of wages and salaries.

COVID-19 will impact banks in Pakistan on a number of fronts including increase in overall credit risk pertaining to the financing portfolio, reduced fee income due to overall slowdown in economic activity, continuity of business operations and managing cybersecurity threat as a significant number of the Bank's staff is working from home and an ever increasing number of customers are being encouraged to use digital channels.

### 7.1 Credit Risk Management

The Risk Management function of the Bank is regularly conducting assessments of the financing portfolio to identify customers most likely to get affected due to changes in the business and economic environment. The Bank has further strengthened its financing review procedures in the light of COVID-19. The Bank is continuously reviewing the portfolio, to identify accounts susceptible to higher risk, resulting from the COVID-19 outbreak.

The Bank expects that various customers will be severely impacted by this pandemic. Since many of such borrowers have availed the SBP enabled deferment / restructuring & rescheduling relief, the full potential effect of the economic stress is difficult to predict given the uncertain economic environment. Hence, management feels that it is appropriate to record a general provision of the funded financing portfolio excluding:

- Government guaranteed exposure
- Staff financing

This provision is based on management's best estimate and, in the current period, a provision of Rs 75.5 million has been recognised in the condensed interim profit and loss account.

### 7.2 Liquidity Risk Management

In view of the relaxation granted by SBP for deferral of principal and profit and rescheduling of financing there will be an impact on the maturity profile of the Bank. The Asset and Liability Committee (ALCO) of the Bank is continuously monitoring the liquidity position and the Bank is confident that the liquidity buffer currently maintained is sufficient to cater to any adverse movement in the cash flow maturity profile.

### 7.3 Equity Risk Management

During the period, the Pakistan Stock Exchange index has fallen by 15.50%, triggering an impairment of Rs 25.1 million. The Bank has only recorded an impairment of Rs 10.0 million resulting from the valuation of listed equity securities held as available for sale in these condensed interim financial statements of the current period, and has deferred the recognition of the remaining impairment which will be recognised on a quarterly basis till December 31, 2020 and has currently been taken to deficit on revaluation of investments, as allowed by the SBP under the Para (viii) of BPRD Circular Letter No. 13 of 2020 dated March 26, 2020.

### 7.4 Operational Risk Management

The Bank is closely monitoring the situation and has invoked required actions to ensure the safety and security of Bank staff and uninterrupted service to customers. The senior management of the Bank is continuously monitoring the situation and is taking timely decisions to resolve any concerns.

Business Continuity Plans (BCP) for respective areas are in place and tested. The Bank has significantly enhanced monitoring of cybersecurity risk during these times. Remote work capabilities were enabled for staff, where required, and related risk and control measures were assessed to ensure that the Bank's information assets are protected from emerging cyber threats and comply with the regulatory protocols required under the circumstances. The Bank is communicating with its customers on how they can connect with the Bank through its full suite of channels including digital and online channels as well as enhancing customer awareness pertaining to online fraud risks. The Bank has taken all measures to ensure that service levels are maintained, customer complaints are resolved and turnaround times are monitored and the Bank continues to meet the expectations of its employees and customers.

## 7.5 Capital Adequacy Ratio (CAR)

In order to encourage Banks to continue lending despite anticipated pressure on profits and credit risk, the SBP has relaxed the Capital Conversion Buffer (CCB) requirements to 1.5%, resulting in a 1% decline in CAR requirements for all Tiers.

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	Rupees in thousands	
<b>8 CASH AND BALANCES WITH TREASURY BANKS</b>		
In hand		
- local currency	2,242,572	2,095,419
- foreign currencies	1,071,267	600,249
	<u>3,313,839</u>	<u>2,695,668</u>
With the State Bank of Pakistan (SBP) in		
- local currency current account	4,854,691	5,647,262
- foreign currency current accounts		
cash reserve account	247,370	253,486
special cash reserve account	290,391	297,462
US\$ clearing account	61,990	68,772
	<u>599,751</u>	<u>619,720</u>
With National Bank of Pakistan in		
- local currency current account	1,520,977	1,276,497
Prize Bonds	1,320	13,400
	<u>10,290,578</u>	<u>10,252,547</u>
<b>9 BALANCES WITH OTHER BANKS</b>		
In Pakistan		
- deposit account	1,578	4,378,142
Outside Pakistan		
- current account	1,831,530	4,444,843
	<u>1,833,108</u>	<u>8,822,985</u>
<b>10 DUE FROM FINANCIAL INSTITUTIONS</b>		
<b>Secured</b>		
Bai Muajjal receivable - with State Bank of Pakistan	828,790	3,371,664
<b>Unsecured</b>		
Musharaka arrangements	300,000	2,480,000
	<u>1,128,790</u>	<u>5,851,664</u>
<b>10.1 Particulars of due from financial institutions</b>		
- local currency	1,128,790	5,851,664
- foreign currencies	-	-
	<u>1,128,790</u>	<u>5,851,664</u>

# 11 INVESTMENTS

## 11.1 Investments by type:

	June 30, 2020 (Un-audited)				December 31, 2019 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in thousands								
<b>Available-for-sale securities</b>								
Federal Government securities	19,527,965	-	(31,337)	19,496,628	10,899,070	-	(7,384)	10,891,686
Shares	1,910,825	1,069,172	22,003	863,656	1,908,146	1,059,172	175,625	1,024,599
Non Government securities	1,081,500	-	16,790	1,098,290	1,119,000	-	(1,312)	1,117,688
	22,520,290	1,069,172	7,456	21,458,574	13,926,216	1,059,172	166,929	13,033,973
<b>Held-to-maturity securities</b>								
Federal Government securities	2,700,827	-	-	2,700,827	2,700,827	-	-	2,700,827
Non Government securities	460,000	-	-	460,000	575,000	-	-	575,000
	3,160,827	-	-	3,160,827	3,275,827	-	-	3,275,827
<b>Total Investments</b>	25,681,117	1,069,172	7,456	24,619,401	17,202,043	1,059,172	166,929	16,309,800

11.1.1 There were no investments given as collateral as at June 30, 2020 (December 31, 2019: Nil).

## 11.2 Provision for diminution in value of investments

Opening balance	
Charge for the year	1,059,172
Closing balance	1,059,172

(Un-audited)  
June 30,  
2020  
Rupees in thousands

(Audited)  
December 31,  
2019  
Rupees in thousands

1,059,172 881,903  
10,000 177,269  
1,069,172 1,059,172

11.3 The market value of non Government securities classified as held-to-maturity as at June 30, 2020 amounted to Rs.465.750 million (December 31, 2019: Rs.578.398 million).



## 12 ISLAMIC FINANCING AND RELATED ASSETS - NET

		Performing		Non performing		Total	
		(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
		June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
	Note	2020	2019	2020	2019	2020	2019
Rupees in thousands							
Murabaha	12.1	9,478,789	7,605,280	271,339	4,550	9,750,128	7,609,830
Musawamah	12.2	-	2,000	-	-	-	2,000
Istisna	12.3	3,896,032	2,603,493	-	-	3,896,032	2,603,493
Salam		57,069	111,287	-	-	57,069	111,287
Ijarah	12.4	3,788,471	4,878,702	19,698	2,698	3,808,169	4,881,400
Running Musharaka	12.5	32,117,582	16,669,096	-	-	32,117,582	16,669,096
Diminishing Musharaka	12.6	18,269,149	17,802,303	456,854	374,179	18,726,003	18,176,482
Staff finance	12.7	1,191,077	1,293,082	-	-	1,191,077	1,293,082
<b>Islamic financing and related assets - gross</b>		<b>68,798,169</b>	<b>50,965,243</b>	<b>747,891</b>	<b>381,427</b>	<b>69,546,060</b>	<b>51,346,670</b>
Less: Provision against non-performing							
Islamic financing and related assets							
- Specific		-	-	(27,640)	(3,340)	(27,640)	(3,340)
- General		(110,936)	(33,363)	-	-	(110,936)	(33,363)
	12.10	(110,936)	(33,363)	(27,640)	(3,340)	(138,576)	(36,703)
<b>Islamic financing and related assets</b>							
<b>- net of provisions</b>		<b>68,687,233</b>	<b>50,931,880</b>	<b>720,251</b>	<b>378,087</b>	<b>69,407,484</b>	<b>51,309,967</b>
						(Un-audited)	(Audited)
						June 30,	December 31,
						2020	2019
Rupees in thousands							
<b>12.1</b>	<b>Murabaha</b>						
	- Murabaha financing					4,524,594	4,671,163
	- Murabaha inventory					4,785,294	2,649,423
	- Advances against Murabaha financing					390,240	239,244
	- Advances against Murabaha financing under Islamic export refinance scheme					50,000	50,000
						9,750,128	7,609,830
<b>12.2</b>	<b>Musawamah</b>						
	- Musawamah inventory					-	2,000
						-	2,000
<b>12.3</b>	<b>Istisna</b>						
	- Istisna financing					283,528	60,146
	- Istisna inventory					366,957	616,127
	- Advances against Istisna financing					2,338,911	1,052,399
	- Istisna financing under Islamic export refinance scheme					32,231	56,929
	- Advances against Istisna financing under Islamic export refinance scheme					874,405	817,892
						3,896,032	2,603,493
<b>12.4</b>	<b>Ijarah financing and related assets</b>						
	- Net book value of assets in Ijarah under IFAS 2					3,175,172	4,190,369
	- Advances against Ijarah					632,997	691,031
						3,808,169	4,881,400
<b>12.5</b>	<b>Running Musharaka</b>						
	- Running Musharaka financing					29,902,582	14,854,096
	- Running Musharaka financing under Islamic export refinance scheme					2,215,000	1,815,000
						32,117,582	16,669,096
<b>12.6</b>	<b>Diminishing Musharaka</b>						
	- Diminishing Musharaka financing					17,529,254	17,511,215
	- Advances against Diminishing Musharaka financing					1,196,749	665,267
						18,726,003	18,176,482
<b>12.7</b>	<b>Staff finance</b>						
	- Staff vehicle finance under Diminishing Musharaka					199,626	230,096
	- Staff housing finance under Diminishing Musharaka					991,451	1,062,986
						1,191,077	1,293,082
<b>12.8</b>	<b>Particulars of Islamic financing and related assets - gross</b>						
	In local currency					69,546,060	51,346,670
	In foreign currency					-	-
						69,546,060	51,346,670

- 12.9** Islamic financing and related assets include Rs. 747,891 million (December 31, 2019: Rs. 381,427 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Un-audited) June 30, 2020		(Audited) December 31, 2019	
	Non-performing Islamic financing and related assets	Provision	Non-performing Islamic financing and related assets	Provision
-----Rupees in thousands-----				
<b>Domestic</b>				
Other Assets Especially Mentioned	56,113	-	14,754	-
Substandard	219,631	8,886	7,703	1,797
Doubtful	114,131	17,486	358,105	678
Loss	358,016	1,268	865	865
	<u>747,891</u>	<u>27,640</u>	<u>381,427</u>	<u>3,340</u>

**12.10 Particulars of provision against Islamic financing and related assets**

	June 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
	Specific	General	Total	Specific	General	Total
-----Rupees in thousands-----						
Opening balance	3,340	33,363	36,703	758	14,102	14,860
Charge for the year	27,675	77,573	105,248	3,383	19,261	22,644
Reversals	(1,012)	-	(1,012)	(99)	-	(99)
	26,663	77,573	104,236	3,284	19,261	22,545
Amounts written off	(2,363)	-	(2,363)	(702)	-	(702)
Closing balance	<u>27,640</u>	<u>110,936</u>	<u>138,576</u>	<u>3,340</u>	<u>33,363</u>	<u>36,703</u>

- 12.11** As allowed by the SBP, the Bank has availed benefit of forced sale value (FSV) in determining the provisioning against non-performing Islamic financing and related assets as at June 30, 2020. Had the benefit not been taken by the bank, the specific provision against non-performing Islamic financing and related assets would have been higher by Rs.442.062 million (December 31, 2019 : Rs.178.374 million). The additional benefit on the Bank's statement of profit and loss arising from availing the FSV benefit - net of tax amounts to Rs 287.340 million as at June 30, 2020 (December 31, 2019: Rs 115.943 million). However, the additional impact on profitability arising from availing the benefit of forced sales value is not available for payment of cash or stock dividends to shareholders.

- 12.12** The Bank has maintained general provision at an amount equal to 1% of the fully secured performing portfolio of consumer auto finance, small enterprise and unsecured performing portfolio of micro financing as required by the Prudential Regulations issued by the SBP. Further, general provision on consumer house finance is maintained as per the criteria defined in relevant Prudential Regulations issued by SBP.

- 12.13** In addition to general provision maintained under Prudential Regulations issued by SBP, the Bank recorded an additional general provision amounting to Rs. 75.5 million as explained in note 7.1.

**12.14 Particulars of provision against Islamic financing and related assets**

	June 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
	Specific	General	Total	Specific	General	Total
-----Rupees in thousands-----						
In local currency	27,640	110,936	138,576	3,340	33,363	36,703
In foreign currency	-	-	-	-	-	-
	<u>27,640</u>	<u>110,936</u>	<u>138,576</u>	<u>3,340</u>	<u>33,363</u>	<u>36,703</u>

	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
		-----Rupees in thousands-----	
<b>13 FIXED ASSETS</b>			
Capital work-in-progress	13.1	59,365	112,863
Property and equipment		2,764,023	2,778,073
Right of use of assets		2,754,481	2,888,836
		<u>5,577,869</u>	<u>5,779,772</u>
<b>13.1 Capital work-in-progress</b>			
Civil works		21,803	25,610
Advance to suppliers and contractors		26,009	83,351
Others		11,553	3,902
		<u>59,365</u>	<u>112,863</u>

		(Un-audited) For the period ended June 30	
		2020	2019
		Rupees in thousands	
<b>13.2 Additions to fixed assets - at cost</b>			
Capital work-in-progress		53,235	135,578
<b>Property and equipment</b>			
Building freehold	517	5,702	
Leasehold improvements	4,216	-	
Furniture and fixtures	4,195	12,745	
Office equipment	16,763	83,821	
Computer equipment	41,975	93,154	
Vehicles	90	-	
	67,756	195,422	
	120,991	331,000	
<b>13.3 Disposal of fixed assets</b>			
The net book value of fixed assets disposed off during the period is as follows:			
Furniture and fixtures	-	1	
Computer equipment	24	266	
	24	267	
		(Un-audited) June 30, 2020	(Audited) December 31, 2019
		-----Rupees in thousands-----	
<b>14 INTANGIBLE ASSETS</b>			
Advance against purchase of software		17,752	155,595
Computer software		653,396	564,128
		671,148	719,723
		(Un-audited) For the period ended June 30	
		2020	2019
		Rupees in thousands	
<b>14.1 Additions to intangible assets</b>			
Directly purchased		8,984	94,536
<b>15 DEFERRED TAX ASSETS / (LIABILITY) - NET</b>			

June 30, 2020 (Un-audited)			
At Jan 01, 2020	Recognised in P&L A/C	Recognised in OCI	At June 30, 2020
Rupees in thousands			
<b>Deductible temporary difference</b>			
Tax losses carried forward	942,766	(101,783)	-
Minimum tax	241,735	49,337	-
Provision against Islamic financing and related assets	863	34,773	-
Workers welfare fund	797	2,036	-
	1,186,161	(15,637)	-
			1,170,524
<b>Taxable temporary difference</b>			
Surplus on revaluation of fixed assets	(43,992)	449	-
Surplus on revaluation of investments	(58,425)	-	55,815
Accelerated tax depreciation	(162,727)	16,826	-
	(265,144)	17,275	55,815
	921,017	1,638	55,815
			978,470
December 31, 2019 (Audited)			
At Jan 01, 2019	Recognised in P&L A/C	Recognised in OCI	At Dec 31, 2019
Rupees in thousands			
<b>Deductible temporary difference</b>			
Tax losses carried forward	806,991	135,775	-
Minimum tax	88,851	152,884	-
Deficit on revaluation of investments - net	28,025	-	(28,025)
Provision against Islamic financing and related assets	21	842	-
Workers welfare fund	797	-	-
	924,685	289,501	(28,025)
			1,186,161
<b>Taxable temporary difference</b>			
Surplus on revaluation of fixed assets	(25,818)	455	(18,629)
Surplus on revaluation of investments	-	-	(58,425)
Accelerated tax depreciation	(147,802)	(14,925)	-
	(173,620)	(14,470)	(77,054)
	751,065	275,031	(105,079)
			921,017

The management, based on their internal projections / assessment of future taxable profits, believes that the Bank will be able to achieve sufficient taxable profits and tax liability in future to adjust unused tax losses and minimum tax before their expiry and accordingly has recorded the deferred tax asset on such basis.

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	-----Rupees in thousands-----	
<b>16 OTHER ASSETS</b>		
Profit / return accrued in local currency	2,733,669	2,434,000
Advances, deposits, advance rent and other prepayments	233,335	164,697
Advance taxation (payments less provisions)	4,617	11,097
Branch adjustment account	67,164	40,206
Receivable against ATM transactions	241,608	156,474
Receivable under home remittances	23,204	11,851
Receivable under inter-bank fund transfer	8,898	-
Mark to market gain on forward foreign exchange contracts	108,737	-
Acceptance	2,440,246	2,194,173
Others	78,925	37,288
	<u>5,940,403</u>	<u>5,049,786</u>

#### 17 CONTINGENT ASSETS

There were no contingent assets of the Bank as at June 30, 2020 (December 31, 2019: Nil).

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	-----Rupees in thousands-----	
<b>18 BILLS PAYABLE</b>		
In Pakistan	2,108,670	973,627
Outside Pakistan	-	-
	<u>2,108,670</u>	<u>973,627</u>

#### 19 DUE TO FINANCIAL INSTITUTIONS

In Pakistan	3,682,672	4,127,526
Outside Pakistan	2,746	-
	<u>3,685,418</u>	<u>4,127,526</u>

#### 19.1 Particulars of due to financial institutions with respect to currencies

In local currency	3,682,672	4,127,526
In foreign currencies	2,746	-
	<u>3,685,418</u>	<u>4,127,526</u>

#### 19.2 Details of due to financial institutions - Secured / Unsecured

##### Secured

Musharaka with the State Bank of Pakistan under Islamic Export Refinance Scheme	3,178,697	2,650,821
Islamic Refinance Scheme for Payment of Wages & Salaries	232,338	-
Islamic Long-Term Financing Facility for Plant & Machinery	112,003	-

##### Unsecured

Musharaka arrangements	-	1,380,852
Musharaka arrangements with other institution	159,634	95,853
Overdrawn nostro	2,746	-
	<u>3,685,418</u>	<u>4,127,526</u>

## 20 DEPOSITS AND OTHER ACCOUNTS

	June 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
	In Local currency	In Foreign currencies	Total	In Local currency	In Foreign currencies	Total
-----Rupees in thousands-----						
<b>Customers</b>						
Current deposits	25,379,786	2,026,516	27,406,302	20,470,659	1,721,169	22,191,828
Savings deposits	39,280,155	2,072,042	41,352,197	31,630,709	2,085,896	33,716,605
Term deposits	18,748,251	77,192	18,825,443	15,049,977	72,099	15,122,076
Others	4,281,007	-	4,281,007	4,918,750	-	4,918,750
	87,689,199	4,175,750	91,864,949	72,070,095	3,879,164	75,949,259
<b>Financial Institutions</b>						
Current deposits	106,898	144	107,042	98,729	1,605	100,334
Savings deposits	965,658	1,660	967,318	1,986,733	1,554	1,988,287
Term deposits	3,740,500	-	3,740,500	3,815,631	-	3,815,631
	4,813,056	1,804	4,814,860	5,901,093	3,159	5,904,252
	92,502,255	4,177,554	96,679,809	77,971,188	3,882,323	81,853,511

	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
		-----Rupees in thousands-----	
<b>21 OTHER LIABILITIES</b>			
Profit / return payable in local currency	21.1	665,141	679,292
Profit / return payable in foreign currencies		7,638	9,437
Accrued expenses		269,053	333,136
Income received in advance		87,540	71,091
Acceptance		2,440,246	2,194,173
Payable under inter-bank fund transfer		-	3,805
Advance receipt against Islamic financing and related assets		5,687	6,154
Charity fund balance		35,410	57,782
Security deposits against Ijarah financing		889,638	1,005,930
Withholding tax, Federal excise duty and other payable		14,306	21,685
Mark to market loss on forward foreign exchange contracts		-	22,812
Liability against ROU asset		3,033,474	3,039,168
Others		111,926	151,331
		7,560,059	7,595,796

21.1 It includes Rs. 13.823 million (December 31, 2019: Rs. 10.086 million) in respect of profit / return accrued on Musharaka with SBP under Islamic Export Refinance Scheme.

## 22 SHARE CAPITAL

## Authorized capital

(Un-audited) June 30, 2020	(Audited) December 31, 2019		(Un-audited) June 30, 2020	(Audited) December 31, 2019
Number of shares			-----Rupees in thousands-----	
1,500,000,000	1,500,000,000	Ordinary shares of Rs. 10/- each	15,000,000	15,000,000

## Issued, subscribed and paid up capital

(Un-audited) June 30, 2020	(Audited) December 31, 2019		(Un-audited) June 30, 2020	(Audited) December 31, 2019
Number of shares			-----Rupees in thousands-----	
1,155,000,000	1,120,000,000	Fully paid in cash		
-	35,000,000	Balance at beginning of the period / year	11,550,000	11,200,000
		Issued during the period / year - right shares	-	350,000
1,155,000,000	1,155,000,000	Balance at end of the period / year	11,550,000	11,550,000

22.1 The Bank's shares are 100 percent held by MCB Bank Limited (MCB) - the parent company and its nominee directors.

		(Un-audited) June 30, 2020	(Audited) December 31, 2019
		Rupees in thousands	
<b>23</b>	<b>RESERVES</b>		
	Statutory Reserves	36,474	26,444
<b>23.1</b>	Statutory reserve represents amount set aside as per the requirements of section 21 of the Banking Companies Ordinance, 1962.		
	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
		Rupees in thousands	
<b>24</b>	<b>SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX</b>		
	Surplus / (deficit) arising on revaluation of:		
	- Fixed assets	356,534	357,814
	- Available for sale securities	7,456	166,929
		363,990	524,743
	Deferred tax on surplus / (deficit) on revaluation of:		
	- Fixed assets	(43,543)	(43,992)
	- Available for sale securities	(2,610)	(58,425)
		(46,153)	(102,417)
		317,837	422,326
<b>25</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
	Guarantees	25.1 7,466,351	6,467,046
	Commitments	25.2 12,976,812	11,498,973
	Other contingent liabilities	25.3 485,637	431,439
		20,928,800	18,397,458
<b>25.1</b>	<b>Guarantees</b>		
	Financial guarantee	-	-
	Performance guarantees	4,225,867	3,431,726
	Other guarantees	3,240,484	3,035,320
		7,466,351	6,467,046
<b>25.2</b>	<b>Commitments</b>		
	Documentary credits and short-term trade-related transactions		
	Letters of credit	7,149,704	7,818,321
	Commitments in respect of:		
	Forward foreign exchange contracts	25.2.1 5,653,833	3,363,957
	Commitments for acquisition of:		
	Intangible assets	15,073	8,940
	Other commitments	25.2.2 158,202	307,755
		12,976,812	11,498,973
<b>25.2.1</b>	<b>Commitments in respect of forward foreign exchange contracts</b>		
	Purchase	2,812,000	882,210
	Sale	2,841,833	2,481,747
		5,653,833	3,363,957
<b>25.2.2</b>	<b>Other commitments</b>		
	Commitments to extend credit	25.2.2.1 158,202	307,755

- 25.2.2.1** Other than those stated above, 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.

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	Rupees in thousands	
<b>25.3 Other contingent liabilities</b>		
Claims against the Bank not acknowledged as debt	485,637	431,439

This includes claim by a third party against the Bank, amounting to Rs.425.820 million which is being contested in the Court of law. The suit has been disposed off by the Court vide Order dated May 10, 2019 wherein the status quo has been ordered to be maintained with respect to bank guarantee and the matter has been referred to arbitration with the consent of the parties. However the Bank has not received any official notice to attend the arbitration proceedings till date.

In addition to the above, this includes claim by third parties against the bank amounting to Rs.59.817 million which is pending before the court. The management based on the opinion of legal advisors expect favourable outcome of the claims.

- 25.4** The Sindh Revenue Board (SRB) has issued order under "Sindh Sales Tax on Services Act, 2011", for the year 2016 thereby raising demand of Rs.0.642 million. The Bank has filed appeal before Commissioner of Inland Revenue Appeals which is pending adjudication. The management of the Bank, in consultation with its tax advisor, is confident that the decision in respect of the above matter would be in the Bank's favor and accordingly no provision has been made in these condensed interim financial statements with respect thereto.

	(Un-audited)	
	Half Year ended June 30, 2020	Half Year ended June 30, 2019
	Rupees in thousands	
<b>26 PROFIT / RETURN EARNED</b>		
Financings	3,858,022	3,350,478
Investments in		
- available for sale securities	873,215	591,369
- held to maturity securities	213,877	173,562
	1,087,092	764,931
Musharaka arrangements	164,561	226,331
Deposits with financial institutions	123,567	26,877
	5,233,242	4,368,617
<b>27 PROFIT / RETURN EXPENSED</b>		
Deposits and other accounts	2,635,071	2,133,260
Musharaka arrangements with the State Bank of Pakistan under IERS	29,194	24,534
Musharaka arrangements with other financial institutions	171,847	311,347
Musharaka arrangements with other institution	7,900	2,064
Unwinding of liability against ROU asset	197,307	163,541
	3,041,319	2,634,746
<b>28 FEE &amp; COMMISSION INCOME</b>		
Branch banking customer fees	4,936	6,356
Consumer finance related fees	3,933	10,667
Card related fees	34,088	32,536
Credit related fees	4,801	-
Digital banking fees	6,091	3,242
Commission on trade	32,063	38,541
Commission on guarantees	22,031	8,896
Commission on cash management	207	-
Commission on remittances including home remittances	5,326	3,597
Commission on banca takaful	23,752	35,977
Others	15	1,340
	137,243	141,152

		(Un-audited)	
		Half Year ended June 30, 2020	Half Year ended June 30, 2019
		2020	2019
		Rupees in thousands	
<b>29</b>	<b>GAIN / (LOSS) ON SECURITIES</b>		
	Realised	29.1	9,590 (43,077)
<b>29.1</b>	Realised gain / (loss) on:		
	Federal Government Securities - Sukuk certificates	364	(8,028)
	Shares	9,226	(35,049)
		9,590	(43,077)
<b>30</b>	<b>OTHER INCOME</b>		
	Rental income	5,227	4,752
	Locker rent	4,744	4,536
	Gain on sale of fixed assets - net	32	-
	Fees and charges recovered	305	114
	Gain on conversion of Ijarah agreements	52,549	-
		62,857	9,402
<b>31</b>	<b>OPERATING EXPENSES</b>		
	<b>Total compensation expense</b>	1,065,511	1,044,503
	<b>Property expense</b>		
	Rent and taxes	11,083	56,980
	Takaful expenses	18,056	19,154
	Utilities cost	44,609	61,059
	Security (including guards)	95,246	98,134
	Repair and maintenance (including janitorial charges)	53,629	56,600
	Depreciation on right-of-use assets	219,592	197,319
	Depreciation	98,761	70,139
		540,976	559,385
	<b>Information technology expenses</b>		
	Software maintenance	56,730	41,425
	Hardware maintenance	70,924	38,267
	Takaful expenses	1,194	1,005
	Depreciation	73,175	56,974
	Amortisation	66,886	54,447
	Network charges	59,457	60,752
		328,366	252,870
	<b>Other operating expenses</b>		
	Directors' fees and allowances	600	400
	Remuneration to Shariah Board members	5,080	4,022
	Legal and professional charges	20,947	18,593
	Takaful expenses	44,076	32,535
	Fee and subscription	974	274
	Outsourced services costs	96,315	108,156
	Travelling and conveyance	25,735	45,018
	Repair and maintenance vehicles	596	562
	NIFT clearing charges	12,532	9,196
	Brokerage, commission and bank charges	11,335	6,190
	Depreciation	7,252	5,478
	Training and development	2,149	7,444
	Postage and courier charges	29,169	22,474
	Communication	3,527	5,104
	Stationery and printing	23,639	25,397
	Marketing, advertisement and publicity	10,230	36,224
	Auditors remuneration	4,038	4,857
	Entertainment	16,256	19,103
	Others	19,316	12,102
		333,766	363,129
		2,268,619	2,219,887



		(Un-audited)	
		Half Year ended June 30, 2020	Half Year ended June 30, 2019
		Rupees in thousands	
<b>32</b>	<b>OTHER CHARGES</b>		
	Penalties imposed by the State Bank of Pakistan	60	25
	Loss on sale of fixed assets	-	18
		<u>60</u>	<u>43</u>
<b>33</b>	<b>PROVISIONS AND WRITE OFFS - NET</b>		
	Provision for diminution in value of investments	11.2 10,000	137,283
	Provision against Islamic financing and related assets	12.10 <u>104,236</u>	<u>12,386</u>
		<u>114,236</u>	<u>149,669</u>
<b>34</b>	<b>TAXATION</b>		
	Current	95,126	68,688
	Prior years	(7,415)	-
	Deferred	<u>(1,638)</u>	<u>(217,475)</u>
		<u>86,073</u>	<u>(148,787)</u>
<b>35</b>	<b>BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE - AFTER TAX</b>		
	Profit / (loss) after taxation	<u>50,151</u>	<u>(276,368)</u>
		<b>Number of shares - in thousand</b>	
	Weighted average number of ordinary shares	<u>1,155,000</u>	<u>1,120,000</u>
		<b>Rupees</b>	
	Basic / diluted earnings / (loss) per share - after tax	<u>0.043</u>	<u>(0.247)</u>
		(Un-audited)	
		For the period ended	
		June 30, 2020	June 30, 2019
		Rupees in thousands	
<b>36</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and balances with treasury banks	10,290,578	10,235,212
	Balances with other banks	1,833,108	1,496,498
	Overdrawn nostro	<u>(2,746)</u>	<u>-</u>
		<u>12,120,940</u>	<u>11,731,710</u>

### 37 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at amortised cost. The fair value of unquoted equity securities, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of placements, Islamic financing and related assets, other assets, other liabilities, due from / due to financial institutions and fixed term deposits cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of the management, the fair value of the financial assets and financial liabilities are not significantly different from their carrying values since assets and liabilities are either short-term in nature or re-priced over short term.

37.1 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 Sukuk 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.

June 30, 2020 (Un-audited)				
Fair Value				
Carrying value	Level 1	Level 2	Level 3	Total
Rupees in thousands				
<b>On-balance sheet financial instruments</b>				
<b>Financial assets measured at fair value</b>				
<i>Investments</i>				
Federal Government Securities				
Shares				
Non-Government Securities				

#### Financial assets - disclosed but not measured at fair value

Investments (held to maturity)	3,160,827	-	-	-	-
Cash and balances					
with treasury banks	10,290,578	-	-	-	-
Balances with other banks	1,833,108	-	-	-	-
Due from financial institutions	1,128,790	-	-	-	-
Islamic financing					
and related assets - net	60,749,010	-	-	-	-
Other assets	5,635,287	-	-	-	-

#### Fair value of non-financial assets

Operating fixed assets (land and building)	1,324,738	-	1,324,738	-	1,324,738
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#### Off-balance sheet financial instruments

Foreign exchange contracts purchase	2,812,000	-	135,989	-	135,989
Foreign exchange contracts sale	2,841,833	-	(29,422)	-	(29,422)

December 31, 2019 (Audited)					
Fair Value					
	Carrying value	Level 1	Level 2	Level 3	Total
	Rupees in thousands				
On-balance sheet financial instruments					
Financial assets measured at fair value					
Investments					
Federal Government Securities	10,891,686	-	10,891,686	-	10,891,686
Shares	1,024,599	1,024,599	-	-	1,024,599
Non-Government Securities	1,117,688	-	1,117,688	-	1,117,688
	13,033,973	1,024,599	12,009,374	-	13,033,973

#### Financial assets - disclosed but not measured at fair value

Investments (held to maturity)	3,275,827	-	-	-	-
Cash and balances					
with treasury banks	10,252,547	-	-	-	-
Balances with other banks	8,822,985	-	-	-	-
Due from financial institutions	5,851,664	-	-	-	-
Islamic financing					
and related assets - net	40,336,214	-	-	-	-
Other assets	4,873,992	-	-	-	-

#### Fair value of non-financial assets

Operating fixed assets (land and building)	1,329,970	-	1,329,970	-	1,329,970
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#### Off-balance sheet financial instruments

Foreign exchange contracts purchase	882,210	-	(25,357)	-	(25,357)
Foreign exchange contracts sale	2,481,747	-	1,324	-	1,324

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, 2 and 3 during the period.

- (a) **Financial instruments in level 1**  
Financial instruments included in level 1 comprise of investments in listed ordinary shares.
- (b) **Financial instruments in level 2**  
Financial instruments included in level 2 comprise of Sukus and Forward Exchange Contracts.
- (c) **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 Sukus (GOP Ijarah Sukus and other Ijarah Sukus)	Fair values of GOP Ijarah Sukus and other Ijarah Sukus 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.

**38 SEGMENT INFORMATION**
**38.1 Segment Details with respect to Business Activities**

June 30, 2020 (Un-Audited)

	Business Distribution	Corporate	Consumer	Micro Finance	Treasury	Head Office	Sub-total	Elimination	Total
Rupees in thousands									
<b>Profit and Loss</b>									
Net spread earned	(2,590,838)	3,337,323	252,782	31,974	1,129,475	31,207	2,191,923	-	2,191,923
Inter segment revenue - net	4,013,590	(2,950,453)	(186,357)	(11,051)	(1,114,669)	248,940	-	-	-
Other income	107,020	75,261	11,067	1,436	132,933	5,315	333,032	-	333,032
Total Income	1,529,772	462,131	77,492	22,359	147,739	285,462	2,524,955	-	2,524,955
Segment direct expenses	(788,367)	(45,016)	(53,092)	(24,408)	(11,762)	(1,351,851)	(2,274,495)	-	(2,274,495)
Inter segment expense allocation	(627,020)	(4,420)	(4,465)	(2,559)	(1,069)	639,534	-	-	-
Total expenses	(1,415,387)	(49,436)	(57,557)	(26,967)	(12,831)	(712,317)	(2,274,495)	-	(2,274,495)
Provisions / write off	-	(60,282)	(18,458)	(25,496)	(10,000)	-	(114,236)	-	(114,236)
Profit / (loss) before tax	114,385	352,413	1,477	(30,104)	124,908	(426,855)	136,224	-	136,224
<b>Balance Sheet</b>									
Cash and bank balances	5,412,233	-	-	-	6,711,453	-	12,123,686	-	12,123,686
Investments	-	710,000	-	-	23,909,401	-	24,619,401	-	24,619,401
Net inter segment placements	90,247,308	-	-	-	-	4,188,825	94,436,133	(94,436,133)	-
Due from financial institutions	-	-	-	-	1,128,790	-	1,128,790	-	1,128,790
Financing - performing	4,537,661	59,215,110	3,566,705	103,361	-	1,236,756	68,659,593	-	68,659,593
- non-performing	649	619,337	78,219	49,686	-	-	747,891	-	747,891
Others	677,918	3,281,456	196,901	2,675	1,226,343	7,782,597	13,167,890	-	13,167,890
<b>Total Assets</b>	100,875,769	63,825,903	3,841,825	155,722	32,975,987	13,208,178	214,883,384	(94,436,133)	120,447,251
Bills payable	2,108,670	-	-	-	-	-	2,108,670	-	2,108,670
Due to financial institutions	1,245,823	2,436,849	-	-	2,746	-	3,685,418	-	3,685,418
Deposits & other accounts	96,349,899	329,910	-	-	-	-	96,679,809	-	96,679,809
Net inter segment acceptances	-	58,082,831	3,372,428	185,497	32,795,377	-	94,436,133	(94,436,133)	-
Others	1,056,992	2,623,900	467,920	329	497	3,410,421	7,560,059	-	7,560,059
<b>Total liabilities</b>	100,761,384	63,473,490	3,840,348	185,826	32,798,620	3,410,421	204,470,089	(94,436,133)	110,033,956
Equity	114,385	352,413	1,477	(30,104)	177,367	9,797,757	10,413,295	-	10,413,295
<b>Total Equity &amp; liabilities</b>	100,875,769	63,825,903	3,841,825	155,722	32,975,987	13,208,178	214,883,384	-	120,447,251
<b>Contingencies &amp; Commitments</b>	5,958,840	9,244,542	6,512	-	5,703,833	15,073	20,928,800	-	20,928,800

## June 30, 2019 (Un-Audited)

Business Distribution	Corporate	Consumer	Micro Finance	Treasury	Head Office	Sub-total	Elimination	Total
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Rupees in thousands

## Profit &amp; Loss

Net spread earned	(2,042,187)	3,019,636	121,099	20,009	598,837	16,477	1,733,871	-	1,733,871
Inter segment revenue - net	3,290,881	(2,829,830)	(103,056)	(5,816)	(623,453)	271,274	-	-	-
Other income	111,302	23,833	6,819	3,849	60,018	4,752	210,573	-	210,573
Total Income	1,359,996	213,639	24,862	18,042	35,402	292,503	1,944,444	-	1,944,444
Segment direct expenses	(1,020,101)	(52,234)	(45,831)	(21,708)	(8,493)	(1,071,563)	(2,219,930)	-	(2,219,930)
Inter segment expense allocation	(311,089)	(4,144)	(7,722)	(3,841)	(1,055)	327,851	-	-	-
Total expenses	(1,331,190)	(56,378)	(53,553)	(25,549)	(9,548)	(743,712)	(2,219,930)	-	(2,219,930)
(Provisions / write off) / Reversal of provision	50	-	(10,981)	(1,104)	(137,283)	(351)	(149,669)	-	(149,669)
Profit / (loss) before tax	28,856	157,261	(39,672)	(8,611)	(111,429)	(451,560)	(425,155)	-	(425,155)

## December 31, 2019 (Audited)

Business Distribution	Corporate	Consumer	Micro Finance	Treasury	Head Office	Sub-total	Elimination	Total
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Rupees in thousands

## Balance Sheet

Cash & Bank balances	4,435,470	-	-	-	14,640,062	-	19,075,532	-	19,075,532
Investments	-	825,000	-	-	15,484,800	-	16,309,800	-	16,309,800
Net inter segment placements	75,590,970	-	-	-	-	4,029,719	79,620,689	(79,620,689)	-
Due from financial institutions	-	-	-	-	5,851,664	-	5,851,664	-	5,851,664
Financing - performing	4,417,685	41,447,427	3,549,900	220,446	-	1,293,082	50,928,540	-	50,928,540
- non-performing	649	356,748	20,129	3,901	-	-	381,427	-	381,427
Others	3,327,291	2,741,874	157,006	6,873	1,193,604	5,043,650	12,470,298	-	12,470,298
<b>Total Assets</b>	<b>87,772,065</b>	<b>45,371,049</b>	<b>3,727,035</b>	<b>231,220</b>	<b>37,170,130</b>	<b>10,366,451</b>	<b>184,637,950</b>	<b>(79,620,689)</b>	<b>105,017,261</b>
Bills payable	973,627	-	-	-	-	-	973,627	-	973,627
Due to financial institutions	859,993	1,886,681	-	-	1,380,852	-	4,127,526	-	4,127,526
Deposits & other accounts	81,535,009	318,502	-	-	-	-	81,853,511	-	81,853,511
Net inter segment acceptances	-	40,218,683	3,193,648	241,454	35,966,904	-	79,620,689	(79,620,689)	-
Others	4,030,805	2,451,948	577,053	239	29,017	506,734	7,595,796	-	7,595,796
<b>Total liabilities</b>	<b>87,399,434</b>	<b>44,875,814</b>	<b>3,770,701</b>	<b>241,693</b>	<b>37,376,773</b>	<b>506,734</b>	<b>174,171,149</b>	<b>(79,620,689)</b>	<b>94,550,460</b>
Equity	372,631	495,235	(43,666)	(10,473)	(206,643)	9,859,717	10,466,801	-	10,466,801
<b>Total Equity &amp; liabilities</b>	<b>87,772,065</b>	<b>45,371,049</b>	<b>3,727,035</b>	<b>231,220</b>	<b>37,170,130</b>	<b>10,366,451</b>	<b>184,637,950</b>	<b>(79,620,689)</b>	<b>105,017,261</b>
<b>Contingencies &amp; Commitments</b>	<b>4,748,692</b>	<b>10,223,226</b>	<b>2,643</b>	<b>-</b>	<b>3,413,957</b>	<b>8,940</b>	<b>18,397,458</b>	<b>-</b>	<b>18,397,458</b>

## 38.2 Segment details with respect to geographical locations

The Bank operates in Pakistan only.

## 39 RELATED PARTY TRANSACTIONS

The Bank has related party relationship with its parent company, associates, 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 including loan provided to them is determined in accordance with the terms of their appointment.

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

..... (Continue)

	June 30, 2020 (Un-Audited)				December 31, 2019 (Audited)			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
	Rs. In thousands				Rs. In thousands			
<b>Balances with other banks</b>								
In current accounts	3,193	-	-	-	6,844	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-
	<u>3,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,844</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Islamic financing and related assets</b>								
Opening balance	-	-	79,634	761,937	-	12,263	92,318	490,514
Addition during the period / year	-	5,220	12,356	696,765	-	-	8,236	2,633,058
Repaid during the period / year	-	-	(10,134)	(838,648)	-	(12,263)	(16,642)	(2,361,635)
Transfer in / (out) - net	-	-	(3,207)	-	-	-	(4,278)	-
Closing balance	-	<u>5,220</u>	<u>78,649</u>	<u>620,054</u>	-	<u>-</u>	<u>79,634</u>	<u>761,937</u>
<b>Fixed assets - Capital work in progress</b>								
Advance paid against purchase of property	20,000	-	-	-	20,000	-	-	-
<b>Other assets</b>								
Profit receivable	-	66	1,639	14,038	-	-	1,746	16,436
Commission receivable	-	-	-	1,226	-	-	-	-
Prepaid expenses	-	-	150	29,342	-	220	367	22,254
Receivable under scheme of merger	11,282	-	-	-	11,282	-	-	-
Receivable under home remittance	23,204	-	-	-	11,852	-	-	-
	<u>34,486</u>	<u>66</u>	<u>1,789</u>	<u>44,606</u>	<u>23,134</u>	<u>220</u>	<u>2,113</u>	<u>38,690</u>
<b>Due to financial institutions</b>								
Opening balance	880,853	-	-	-	631,351	-	-	-
Addition during the period / year	8,403,928	-	-	-	22,355,349	-	-	-
Repaid during the period / year	(9,284,781)	-	-	-	(22,105,847)	-	-	-
Closing balance	-	-	-	-	<u>880,853</u>	-	-	-
Overdrawn Nostro	2,746	-	-	-	-	-	-	-
<b>Deposits</b>								
Opening balance	-	25,190	22,043	1,301,009	-	5,488	21,626	389,094
Addition during the period / year	-	1,453,769	110,660	14,490,924	-	99,236	186,023	16,583,485
Withdrawn during the period / year	-	(1,125,507)	(103,704)	(14,165,294)	-	(72,234)	(182,995)	(15,876,040)
Transfer in / (out) - net	-	(17,906)	(288)	(54,946)	-	(7,300)	(2,611)	204,470
Closing balance	-	<u>335,546</u>	<u>28,711</u>	<u>1,571,693</u>	-	<u>25,190</u>	<u>22,043</u>	<u>1,301,009</u>
<b>Other liabilities</b>								
Profit payable	-	2,449	41	7,126	26,932	207	55	8,212
Accrued expenses	-	-	-	7,514	-	-	2,640	5,996
Other liabilities	-	210	-	1,860	-	-	-	1,583
	<u>-</u>	<u>2,659</u>	<u>41</u>	<u>16,500</u>	<u>26,932</u>	<u>207</u>	<u>2,695</u>	<u>15,791</u>
<b>Contingencies and Commitments</b>								
Letter of Credit	587,037	-	-	424,496	-	-	-	922,170
Letter of Guarantee	103,340	-	-	746,170	-	-	-	776,734
Commitment to extend credit	-	-	-	-	-	-	-	-
Forward exchange contract								
Purchase	1,114,120	-	-	-	803,640	-	-	-
Sale	315,823	-	-	-	1,240,454	-	-	-
Unrealized gain on forward exchange contract - net	17,032	-	-	-	(27,493)	-	-	-
	<u>1,914,192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,817,091</u>	<u>-</u>	<u>-</u>	<u>-</u>
	June 30, 2020 (Un-Audited)				June 30, 2019 (Un-Audited)			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
	Rs. In thousands				Rs. In thousands			
<b>Transactions during the year</b>								
<b>Income</b>								
Profit return earned	-	66	1,750	38,051	-	94	1,914	32,833
Commission earned	-	-	-	21,800	-	-	-	19,662
Rental income	5,227	-	-	-	4,752	-	-	-
Other income	-	-	4	-	-	14	13	-
	<u>5,227</u>	<u>66</u>	<u>1,754</u>	<u>59,851</u>	<u>4,752</u>	<u>108</u>	<u>1,927</u>	<u>52,495</u>
<b>Expense</b>								
Profit return expensed	104,550	3,779	169	51,033	133,333	99	108	9,478
Rental expense	18,050	-	-	-	17,127	-	-	-
Takaful expense	-	-	-	43,188	-	-	-	40,319
Security expense	-	-	-	26,116	-	-	-	13,403
Other expense	60	600	-	18	60	400	-	369
	<u>122,660</u>	<u>4,379</u>	<u>169</u>	<u>120,355</u>	<u>150,520</u>	<u>499</u>	<u>108</u>	<u>63,569</u>
<b>Other transactions during the year</b>								
Fee paid	-	390	-	-	-	510	-	-
Managerial remuneration paid	-	13,972	96,758	-	-	34,915	97,637	-
Contribution paid to provident fund	-	-	-	60,613	-	-	-	54,480
Re-imbursement under home remittance payments	1,709,813	-	-	-	1,482,742	-	-	-
Proceeds from sale of fixed assets	-	-	5	-	-	66	54	-
Disbursement made against advance salary	-	1,304	300	-	-	-	800	-
Repayment made against advance salary	-	1,304	150	-	-	-	275	-
Payment made against expenses	12,883	-	-	73,892	10,160	-	-	57,917
Foreign currency purchase	21,636,795	-	-	-	11,489,221	-	-	-
Foreign currency sale	14,154,152	-	-	-	7,544,249	-	-	-
Letter of Credit issued	-	-	-	1,070,530	-	-	-	546,081
Letter of Guarantee issued	4,298	-	-	50,832	-	-	-	265,586

(Un-audited) (Audited)  
June 30, December 31,  
2020 2019  
Rupees in thousands

#### 40 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

##### Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)	10,058,984	10,044,475
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##### Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	8,292,255	8,140,251
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	8,292,255	8,140,251
Eligible Tier 2 Capital	428,773	455,689
Total Eligible Capital (Tier 1 + Tier 2)	8,721,028	8,595,940

##### Risk Weighted Assets (RWAs):

Credit Risk	56,993,017	54,303,062
Market Risk	2,929,780	2,931,724
Operational Risk	4,974,383	4,974,383
Total	64,897,180	62,209,169

##### Common Equity Tier 1 Capital Adequacy ratio

Common Equity Tier 1 Capital Adequacy ratio	12.78%	13.09%
Tier 1 Capital Adequacy Ratio	12.78%	13.09%
Total Capital Adequacy Ratio	13.44%	13.82%

##### Leverage Ratio (LR):

Eligible Tier-1 Capital	8,292,255	8,140,251
Total Exposures	138,161,931	122,793,297
Leverage Ratio	6.00%	6.63%

##### Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	23,721,272	20,622,000
Total Net Cash Outflow	17,226,308	16,912,917
Liquidity Coverage Ratio	137.70%	121.93%

##### Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	80,949,163	70,542,798
Total Required Stable Funding	55,184,019	38,070,615
Net Stable Funding Ratio	146.69%	185.29%

#### 41 GENERAL

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

#### 42 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on August 18, 2020 by the Board of Directors of the Bank.

Syed Iftikhar Hussain Rizvi  
Chief Financial Officer

Muhammad Azfar Alam Nomani  
President / Chief Executive

Khalid Zaheer  
Director

Raza Mansha  
Director

Omair Safdar  
Director

## BRANCH NETWORK

Br.Code	Name of Branch	Address	City	Contact No.
001	Shahrah-e-Faisal Branch	Ground Floor, Nice Trade Orbit, Main Shahrah-e-Faisal Nursery, Karachi	Karachi	+92-21-34328469   +92-21-34328477
002	Gulberg, Liberty Market Branch	9-C, Commercial Zone, Liberty Market, Gulberg, Lahore	Lahore	+92-42-35789831-34
003	Shah Rukn-e-Alam Colony Branch	17-F Chowk Shah Rukn-e-Alam Colony, Multan	Multan	+92-61-6560451-57
004	ThandiSarak Branch	Ground Floor, Shop No. 6 & 7, River View Apartments, ThandiSarak, Hyderabad	Hyderabad	+92-22-2785486   +92-22-2785632
005	Peoples Colony Branch	668-1, Block A, Peoples Colony No. 1, Faisalabad	Faisalabad	+92-41-8556601-05
006	Jinnah Avenue, Blue Area Branch	52 East, Dodhy Plaza, Jinnah Avenue, Blue Area, Islamabad	Islamabad	+92-51-2875091
007	Rashid Minhas Road Branch	Plot # LM-10, Block-10-A, Near Pizza Hut, main Rashid Minhas Road, Karachi	Karachi	+92-21-34817643   +92-21-34838077
008	DHA Phase III, Z Block Branch	339-Z Commercial, Ground Floor, Phase III, DHA, Lahore	Lahore	+92-42-35692901   +92-42-35746675
009	Bank Road, Saddar Branch	Shahbaz Plaza, Bank Road, Saddar, Rawalpindi	Rawalpindi	+92-51-5525277   +92-51-5700342   +92-51-5523474
010	Saddar Road Branch	Tasneem Plaza, 6 Saddar Road, Peshawar Cantt	Peshawar	+92-91-5272180-83
011	M.A Jinnah Road Branch	Khasra 418-42,420-43,424-54 M.A Jinnah Road, Quetta	Quetta	+92-81-2824977
012	Shahalam Market Branch	12-13-6 Block-A, Shahalam Market, Lahore	Lahore	+92-42-37667813
013	DHA Phase V, Khayaban-e-Shamsheer Branch	Plot No. 10 C, Showroom No. 101, Khayaban-e-Shamsheer, Phase V DHA, Karachi	Karachi	+92-21-35248768   +92-21-35248771
014	New Challi Branch	Shop No. G-2, Muhammadi Trade Tower, AltafHussani road, New Challi, Karachi	Karachi	+92-21-32371192
015	S.I.T.E Branch	C 18-A, East Avenue, S.I.T.E, Karachi	Karachi	+92-21-32552192   +92-21-32552193
016	SharifpuraChowk, G.T. Road Branch	SharifpuraChowk G.T Road, Gujranwala	Gujranwala	+92-55-3251915-17
017	Rahim Yar Khan Branch	29-Model Town, City Centre, City Park Chowk, Rahim Yar Khan	Rahim Yar Khan	+92-68-5876049
018	Club Road Branch	73, Club Road, Civil Line, Sargodha	Sargodha	+92-48-3768633
019	F-10 Markaz Branch	Plot No 1-G, F-10 Markaz, Double Road, Islamabad	Islamabad	+92-51-2114307
020	Khushab Branch	Khatuni # 1493, Khewet # 668, Salam KhataQitlat 13, KhattaChowk, Main Sargodha Road, Khushab	Khushab	+92-45-4710497
021	Allamalqbal Town Branch	132 Jahanzaib Block, Main Boulevard, Allamalqbal Town, Lahore	Lahore	+92-42-37813681-84
022	Sukkur Branch	Shop/ Plot/ Khasra/ Khatooni/ Khewat # Plot # B-1623, Bunder Road, Sukkur	Sukkur	+92-71-5620756
023	Khalid-Bin-Waleed Road Branch	Show Room No.9-11, Plot No.167-A, Block-3, Khalid Bin Waleed Road, Karachi	Karachi	+92-21-34323051-52
024	Johar Town, MaulanaShaukat Ali Road Branch	87-E, Madina Heights, MaulanaShaukat Ali Road, Johar Town, Lahore	Lahore	+92-42-35222674-79
025	TandoAllahyar Branch	Plot No.1, Survey No. 272-1 DehTaluka Hyderabad Road, Tando Allah Yar	Tando Allah Yar	+92-22-3891600   +92-22-3891567
028	Sahiwal Branch	Plot # 23, Khewat # 7854, Khatooni # 7907, Khasra No. 776-23-j, Farid Town, Sahiwal	Sahiwal	+92-40-4270713-15
029	Bhimber Road Branch	Khewat # 143, Khatooni # 341, Bhimber Road, Gujrat	Gujrat	+92-53-3601781-83
030	Lahore-Sheikhupura Road Branch	Property # 4584, Khan colony, Lahore Road Sheikhupura	Sheikhupura	+92-56-3501189
032	Korangi Industrial Area Sector 23 Branch	Plot # 1-A, Sector 23, Korangi Industrial Area, Karachi	Karachi	+92-21-35122311-12
033	North Nazimabad Branch	Shop # 1 & 2 Jasmine Heights Plot # SC-21-A Block H North Nazimabad, Karachi	Karachi	+92-21-36641762   +92-21-36641764
034	Saddar Branch	Qasr-e-Fatima 90-1-2, Main Saddar Bazar, Hyderabad	Hyderabad	+92-22-2731545   +92-22-2731564
035	Gulberg, Main Boulevard Branch	58 Main Boulevard Gulberg, Lahore	Lahore	+92-42-35760954-58
036	Dhoraji Branch	Shop No 3 & 4 Selani Centre, Plot # 442, Kathiawar Co-operative Housing Society, Dhoraji, Karachi	Karachi	+92-21-34940153   +92-21-34940156
037	F.B. Industrial Area Branch	Sector no 22, KDA Scheme 16, FB Industrial Area, Karachi	Karachi	+92-21-36834440   +92-21-36834448
038	Chaman Branch	Taj Road Chaman	Chaman	+92-826-615429
039	Loralai Branch	Shop # 372, House # 425, Tehsil Road, Loralai	Loralai	+92-82-4660400

Br.Code	Name of Branch	Address	City	Contact No.
040	Timergara Branch	Main Balambat Road, Timergara District Lower Dir	Timergara	+92-945-825571-73
041	Mingora Branch	Opposite Bank Square Main Bazar Mingora, Swat	Swat	+92-946-725373-74
042	Mardan Branch	RS Plaza Shamsi Road, Mardan	Mardan	+92-937-870751   +92-937-870753
043	New Garden Town Branch	Shop No 12, 13, 14, Shan Arcade, Civic Centre, Garden Town, Lahore	Lahore	+92-42-35941840-41
044	Cavalry Ground Branch	Plot No 7, Cavalry Ground Commercial Area, Lahore	Lahore	+92-42-36672180   +92-42-36672183
045	Pishin Branch	Shop No. 630-634-640, Band Road, Pishin	Pishin	+92-82-6420875
046	Matta Branch	Khatooni No. 28-50, Khasra No. 2309, Mehran Khan Plaza, Main MattaKhareri, Matta, Swat	Swat	+92-94-6790612-15
047	Toba Tek Singh Branch	Plot No. 359, Mall Godam Road, Toba Tek Singh	Toba Tek Singh	+92-46-2514427   +92-46-2515427   +92-46-2517327
048	Hazara Town Branch	Khasra No.1102-1041-874-531-1016-250, Lilak Shopping Centre, Barmar Road, Aliabad, Hazara Town, Quetta	Quetta	+92-81-2853127
049	Gwadar Branch	Khasra No. 96-494-495-497-498-499-501, Main Airport Road, Gwadar	Gawadar	+92-86-4210290
050	Dream Gardens Branch	Shop No. 08 & 09, Block C, Dream Gardens Housing Society, 1.5 KM Defence Road, Off Raiwind Road, Lahore	Lahore	+92-42-35469652
051	Kabal Branch	Khasra No. 2262, Khata No. 901, Khatooni No. 1176, Hassan Plaza, KabalChowk, Kabal, Swat	Swat	+92-94-6755592-95
052	Sirki Road Branch	Khata-2 & Plot No. 136-14-32, Akram Plaza, Sirki Road, Quetta	Quetta	+92-81-2836417
053	Bathkela Branch	Shop No 1 to 6, Pak Haider Market, Near Zafar Park, next to Malakand CNG, GT Road, Bathkela, Malakand	Bathkela	+92-93-2410670-72
054	G-11 Markaz Branch	Shop No. 7,8,25,26, Plot No. 33, G-11 Markaz, Islamabad	Islamabad	+92-51-2360067
055	Chaklala Scheme III Branch	Plot No. 16, Commercial Area, Chaklala Scheme III. Rawalpindi Cantt	Rawalpindi	+92-51-5766233
056	NawanShehar Branch	Plot No. 741-F, Ward No.9, Muslim Mouza Ismail, ChowkNawanShehar, Multan	Multan	+92-61-4573032
057	Gulshan-e-Iqbal Branch	Shop No. 1&2, Al- Sammad Tower 13- Gulshan-e-Iqbal, Main University Road, Karachi	Karachi	+92-21-34971515
058	Latifabad Branch	Shop No. 1, 2 & 3, United Plaza, Opposite American Hospital, Main Road, Unit # 7, TalukaLatifabad, District Hyderabad	Hyderabad	+92-22-3821861-65
059	Tando Adam Branch	Plot #. 543-9 Hyderabad Road, Tando Adam	Tando Adam	+92-23-5571261- 64
060	Nawabshah Branch	Plot No. 80, Masjid Road, Nawabshah	Nawabshah	+92-24-4360903-04
061	Larkana Branch	PB No. 1641-1-3, Shop No. 1& 2 Ground Floor Ward-A GajanPur Road, AnajMandi, Larkana	Larkana	+92-74-4040914-19
062	Abdullah Haroon Road, Saddar Branch	PB No. 272-1, Ground Floor State Life Building No.11, Abdullah Haroon Road, Saddar, Karachi	Karachi	+92-21-35681851-60
063	Turbat Branch	Khatooni No. 73-73, Khasra No. 2161 to 2188, Main Road, Turbat	Turbat	+92-85-2411153
064	Johar Town, Opposite Expo Center Branch	Plot No. 587, Block H-III, opposite Expo Centre, Johar Town, Lahore	Lahore	+92-42-35468495-96
065	PIA Housing Society Branch	Plot No. 8, Block D, Phase I, PIA Housing Scheme, Lahore	Lahore	+92-42-35463995-96
066	Zhob Branch	Plot No. C-159, C-160, Tehsil Road, Zhob	Zhob	+92-82-2412257
067	Abbottabad Branch	GM Tower, near Sethi Masjid, Mansehra Road, Abbottabad	Abbottabad	+92-99-2408301-04
068	Dharampura Branch	SE-6R-226/1, Dharampura, Allamalqbal Road, Lahore	Lahore	+92-42-37173833   +92-42-37173838
069	Faisal Town Branch	35-A, Main Boulevard, Faisal Town, Lahore	Lahore	+92-42-35202200   +92-42-35202203   +92-42-35303304
070	Chitral Branch	Ataliq Bazar, Bypass Road, Near Bus Adda, Chitral	Chitral	+92-943-414389   +92-943-414316
071	Sadiqabad Branch	19/20-D, Tehsil Bazar, Sadiqabad	Sadiqabad	+92-68-5802242-43
072	JK Sugar Mills Branch	JK Sugar Mills, Chak No. 84/15L, MianChannu	MianChannu	+92-42-34501000 Ext. 1972
073	Muhammad Ali Society Branch	12-C/B Muhammad Ali Society, Karachi	Karachi	+92-21-34320831-35
074	Super Highway Branch	Shop No. 27 & 28 Property No. 1-B/3, North Karachi Industrial Area, Main Super Highway, Scheme 33, Karachi	Karachi	+92-21-36820012-46
075	Dera Ghazi Khan Branch	Ashraf Palaza, Block # 2, Kachehri Road, D. G. Khan	D.G. Khan	+92-64-2460258



Br.Code	Name of Branch	Address	City	Contact No.
076	SafooraChowk Branch	Plot No. SB-15, Block 7, Gulistan-e-Johar, Scheme 36, Karachi	Karachi	+92-21-34115092
077	Bahria Town Phase IV Branch	Shop No G-9-10, Bahria Heights II, Ext Bahria Town, Phase- IV, Islamabad	Islamabad	+92-51-5146025
078	Model Colony Branch	H.No. 4/95, Affandi House, Liaquat Ali Khan Road, Model Colony, Karachi	Karachi	+92-21-34110334
079	DHA Rahbar Branch	Defence Road, DHA Rahbar, Lahore	Lahore	+92-42-34501000 Ext. 1979
080	Bedian Road Branch	Khasra No. 2512, AbadiDahiHadbust, MuzaLidhar, Bedian Road, Lahore	Lahore	+92-42-37162813
081	Gilgit Branch	Shahrah-e-Quaid-e-Azam, Near NHA Office, Jutial, Gilgit	Gilgit	+92-581-1450754
082	Bahawalpur Branch	30B - Model Town, Block A, Bahawalpur	Bahawalpur	+92-62-2888768
083	DHA Phase II - Tulip Road Branch	DHA Phase-II Branch, Plaza # 8, Street# A/62, Tulip Road, Sector A, DHA Phase-II, Islamabad	Islamabad	+92-51-5147164
084	Ghafoor Chamber, Saddar Branch	Shop # 5/8, Ghafoor Chamber Off Abdullah Haroon Road, SaddarKaarchi	Karachi	+92-21-32750001-07
085	Madras Chowk Branch	Shop # S-8, S-9 & S-10, Pioneer Tower Survey No. 22 & 24, DehSongalGujo, Sector 16-A, Madras Chowk, Karachi	Karachi	+92-21-34645755
086	MATCO Food Branch	MATCO Food Ltd. B/1-A, Site Phase 1 Super Highway, North Karachi Industrial Area, Karachi	Karachi	+92-42-34501000 Ext. 1986
087	Haroonabad SITE Branch	Portion No. 23-A/P.U.D179, SITE, Karachi	Karachi	+92-21-32556601-02
088	Faizan-e-Madina Branch	Shop No. 22, AlamiMadaniMarkaz, Faizan-e-Madina, MohallaSaudagran Old SabziMandi, Karachi	Karachi	+92-21-34942626
089	Okara Branch	Khewat No. 1519, Khatooni No. 1537, Khasra No. 4207/6-5-4 M.A. Jinnah Road, Okara	Okara	+92-44-2510124
090	Raza Garden Branch	Khewat No. 3, Khatooni No. 17 to 19, Main Sillanwali Road, Raza Garden, Sargodha	Sargodha	+92-48-3250682
091	Buerwala Branch	Plot No.98 Block-A, Arabia Islamia Road, Burewala	Burewala	+92-67-3351281-85
092	MillatChowk Branch	156-B, MillatChowk, Gulistan Colony, Faisalabad	Faisalabad	+92-41-8782963-66   +92-41-8782968
093	Dalazak Road Branch	Dalzak Road Branch, Malik Sardar Plaza, Near Yousafabad Canal, Dalzak Road, Peshawar	Peshawar	+92-94-3414387
094	Qasimabad Branch	Shop No. 6 & 7, Raheel Heights, 267/2, Deh Sari, WadhuWah Road, Qasimabad, Hyderabad	Hyderabad	+92-22-2675334
095	Korangi Industrial Area Sector 7-A Branch	Plot No. 251, Sector 7-A, Korangi Industrial Area, Karachi	Karachi	+92-21-35151191-96
096	Sanwar Road Cantt. Branch	Plot No. 05, Survey No.52/C-5, Sanwar Road Cantt. Lahore	Lahore	+92-42-37177096
097	MalirCantt Branch	Shop No. 75, 4 Dots Shopping Complex C/O HQ 4 Air Defence Division, 31 Bostan Lines, Malir Cantonment, Karachi	Karachi	+92-21-34901140
098	Mirpurkhas Branch	Survey No. 773, Ward - A, MirpurkhasTaluka, District Mirpurkhas	Mirpurkhas	+92-23-3872821
099	Muslim Bagh Branch	Khasra No. 1759, Khatooni No. 8, Khewat No. 6, Station Road, Muslim Bagh	Muslim Bagh	+92-823-669214-5
100	Samanabad Branch	Property 22-7/17/1 & 22-S-17/2, Main Samanabad, Lahore	Lahore	-
101	Khuzdar Branch	Khatooni No. 1614, Khasra No. 7004/2049 to 7014/2045, Mir Chakar Khan Road, Khuzdar, Tehsil & District Khuzdar	Khuzdar	-
102	Kamra Branch	Shop No. 75, Mini Plaza, PAC Chowk, G.T Road, KamraCantt, District Attock	Kamra	+92-57-2642521
103	Attock Branch	Shop # B-III/37, C-152, Dr. GhulamGillaniBurq Road, Attock City	Attock	+92-57-5700903
104	Chakwal Branch	B1-1/1634/1, B-1-1635, Talagang Road, Chakwal	Chakwal	+92-54-3602050-51
105	Karkhana Bazar Branch	Property # 122, Khatooni # 1650, Khewat # 1647, Karkhana Bazar, Faisalabad	Faisalabad	+92-41-2601805
106	Kotwali Road Branch	P-64 Taj Plaza, Kotwali Road, Faisalabad	Faisalabad	+92-41-2604935
107	Ghakhar Branch	Khewat # 2414, Khatooni # 3600, Khasra # 3359, GT Road, Ghakhar	Ghakhar	+92-55-3886662   +92-55-3886665
108	Satellite Town Branch	529-C Satellite Town, Gujranwala	Gujranwala	+92-55-3825781
109	Kharian Branch	Bilal Plaza, G.T.Road, Kharian	Kharian	+92-53-7601325   +92-53-7601358
110	MandiBahauddin Branch	Plot # 7/211, Ward # 7, GhallaMandi, MandiBahauddin	MandiBahauddin	+92-546-509551   +92-546-509553
111	Hussain Plaza, G.T Road Branch	Khasra No. 625, Hussain Plaza, Chowk GTS, G.T Road, Gujrat	Gujrat	+92-53-3571542   +92-53-3530287


Br.Code	Name of Branch	Address	City	Contact No.
113	Market Area Branch	Commercial Plot No. 1272/1, Sheet No. 2, Ward-A City Survey, Market Area, Hyderabad	Hyderabad	+92-22-2635071-72
115	F-7 Markaz, Post Mall Branch	Plot # 3, F-7 Markaz, Post Office, Mall Building, Islamabad	Islamabad	+92-51-2608003   +92-51-2608018
116	F-8 Markaz Branch	Shop # 12 & 13, Al-Babar Center, F-8 Markaz, Islamabad	Islamabad	+92-51-2852653
117	F-11 Markaz Branch	Plot # 18, Trade Centre, Main Double Road, F-11 Markaz, Islamabad	Islamabad	+92-51-2107862
118	E-11/3 Branch	Plot No. 2, I.K. Tower, E-11/3 Markaz, Islamabad	Islamabad	+92-51-2375345-6
119	I-8 Markaz Branch	MB City Mall, Plot No. 34, I-8 Markaz, Islamabad	Islamabad	+92-51-4862278-79
120	WahCantt Branch	Shop # 1/37, Commercial Area, Civic Centre, Aslam Market, WahCantt	WahCantt	+92-51-4902231
121	Jhang Branch	Khewat # 698, Khatooni # 203, Yousuf Shah Road, Opposite District Courts, Jhang	Jhang	+92-47-7629591-94
122	SaraiAlamgir Branch	Fazal Plaza, Main G.T. Road, SaraiAlamgir	SaraiAlamgir	+92-54-4654932
123	Gujar Khan Branch	Commercial Property # BIII 379 & BIII 377, G.T. Road, Gujar Khan	Gujar Khan	+92-51-3510156
124	Jhelum Branch	Model Colony, ShandarChowk, Jhelum	Jhelum	+92-544-627128   +92-544-628677
126	Medicine Market Branch	MariumManzil, Plot # 161, Survey Sheet # MR-1, Market Quarters, Napier Road, Karachi	Karachi	+92-21-32430489
127	Gul Tower Branch	Gul Tower, Main I.I Chundrigar Road, Karachi	Karachi	+92-21-32426413
128	Cloth Market Branch	Plot # 21/1, Bunder Quarters, Cloth Market, Karachi	Karachi	+92-21-32472148-49
129	Jodia Bazar Branch	MR 6/2, Market Quarters, Virjee Street, Jodia Bazar, Karachi	Karachi	+92-21-32443758   +92-21-32432849
131	Zaibunnisa Street, Saddar Branch	State Life Building # 5, Zaibunnisa Street, Saddar, Karachi	Karachi	+92-21-35212102
132	Javed Arcade Branch	Commercial Shop # 3,4,5 & 6, Javed Arcade, Plot # SB-1, Block # 17, KDA Scheme # 36, Gulistan-e-Jauhar, Karachi	Karachi	+92-21-34636746
133	Shershah Branch	Plot # M-II-E-606, Shershah, Karachi	Karachi	+92-21-32587581-83
135	Darakhshan Street Branch	Plot # 2-A/423, Drakhshan Society, Malir Halt, Karachi	Karachi	+92-21-34115090-91
137	Shaheed-e-Millat Road Branch	Bismillah Blessings, Plot No. 7-A/228, SS No. 35-P/1, Block-3, DMCHS, Main Shaheed-e-Millat Road, Karachi	Karachi	+92-21-34943666
138	Business Arcade Branch	Plot # 27-A, Business Arcade, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi	Karachi	+92-21-34326570-73
141	EOBI House Branch	Plot No. ST-1/A-1, KDA Commercial Complex, Scheme 1, Shop No. G-01/B, Ground Floor, EOBI House, Shahrah-e-Faisal, Karachi	Karachi	+92-21-34330172   +92-21-34536732
143	Allamalqbal Road Branch	Plot No. 683-C Ground Floor & Mezzanine Floor, Block-2, PECHS, Allamalqbal Road, Karachi	Karachi	+92-21-34301817
147	Beach Blessing, BilawalChowk Branch	Sands Apartments, Shop No. 8, Ground Floor, Block No.2, KDA Scheme No.5, Khayaban-e-Saadi Road, Kehkashan Clifton, Karachi	Karachi	+92-21-35375013
148	DHA Phase V Ext., Saba Avenue Branch	Saba Avenue, Plot # 8-C, Badar Commercial, Street # 6, Phase V Ext, DHA, Karachi	Karachi	+92-21-35341673
149	DHA Phase I Branch	19/C & 21/C, 21st East Street, Phase 1, Pakistan Defence Officers Housing Authority, Karachi	Karachi	+92-21-35386881-83
150	DHA Phase V, Zamzama Lane Branch	18-C, 5th Zamzama Lane, DHA Phase-V, Karachi	Karachi	+92-21-3810788
151	Kulsoom Court Branch	Kulsoom Court, Shop # 2, 3, 5A & 6, Plot DC-3, KDA Scheme # 5, Block-9, Clifton, Karachi	Karachi	+92-21-38798971-77
152	DHA Phase IV Branch	Ground Floor, Plot # 99-E, Survey # 26, 9th Commercial Street, Phase-IV, DHA, Karachi	Karachi	+92-21-35885718
154	DHA Phase II Branch	106/C, Phase-II, National Highway, D.H.A., Karachi	Karachi	+92-21-35348772
155	Paper Market Branch	Plot # 11/2, Sheet SR-9, Seraj Quarters, Anjarwala Bakery, Sharah-e-Liaquat, Karachi	Karachi	+92-21-32212610   +92-21-32212356
156	Timber Market Branch	Ground Floor, Plot # 1/2, Lea 7, Lea Quarters, SiddiquiWahabRaod, Timber Market, Karachi	Karachi	+92-21-32752192
157	Nishtar Road Branch	Plot No. LR-19/10 Sweet Apartment, Mama Dhobi Compound, Shoe Market, Nishtar Road, Karachi	Karachi	+92-21-32231338
158	West Wharf Road Branch	4/22, Puri House, West Wharf Road, Karachi	Karachi	+92-21-32205422   +92-21-32205488
159	Gulshan-e-Ravi Branch	159-A, Main Boulevard, Gulshan Ravi, Lahore	Lahore	+92-42-37401870-74   +92-42-37401890
160	NilaGumbad Branch	Plot # 12, McLagan Road, NilaGumbad, Lahore	Lahore	+92-42-37210102

Br.Code	Name of Branch	Address	City	Contact No.
161	Shahrah-e-Aiwan-e-Tijarat, China Chowk Branch	14-A (Ground Floor), Shahrah-e-Aiwan-e-Tijarat, Old Race Course Road, Lahore	Lahore	+92-42-36282790-95
162	Davis Road Branch	Aftab Centre, 30-Davis Road, Lahore	Lahore	+92-42-36287029   +92-42-36286965
163	Model Town Branch	Shop # 10-11, Commercial Market, C-Block, Model Town, Lahore	Lahore	+92-42-35915403-6
164	Urdu Bazar Branch	S-III-13-S-20 & S-III-2-S-26/RH Majahid Street, Behind Urdu Bazaar, Paisa Akhbar, Lahore	Lahore	+92-42-37361216
165	DHA Phase II, Commercial Area Branch	Commercial Plot # 12, Block CCA, D.H.A. Phase II, Lahore	Lahore	+92-42-35749481   +92-42-35707033
166	Bahria Town Branch	65-A, Sector-C, Bahria Town, Lahore	Lahore	+92-42-37861591-93
167	ThokarNiazBaig Branch	171-A Ali Town, Main Raiwind Road, Lahore	Lahore	+92-42-35963291
168	Ichra Branch	Shop # 158, MohallaRasoolPura, Ichra, Main Ferozepura Road, Lahore	Lahore	+92-42-37426801-05
169	Multan Road Branch	9-A Industrial Block, Scheme More, AllamaIqbal Town, Multan Road, Lahore	Lahore	+92-42-37803449
170	Muzaffarabad AJK Branch	Plot No. 26-1, GhariPhanChowk, DomelSyedan, Muzaffarabad, Azad Kashmir	Azad Kashmir	+92-5822-921137-38   +92-5822-920455
171	Mirpur AJK Branch	Bank Square, AllamaIqbal Road, Mirpur, Azad Kashmir	Azad Kashmir	+92-5827-442840   +92-5827-447683
172	Hayatabad Branch	B-1, Phase V, Hayatabad, Peshawar	Peshawar	+92-91-5825305
173	YadgarChowk Branch	Shop No. 1,2,3,4,5, Ground & First Floor, Haroon Plaza, ChowkYadgar, Peshawar	Peshawar	+92-91-2580718   +92-91-2590762
174	Choharmal Road Branch	Kheiwat # 230 Khatooni # 272 Khasra # 235, Choharmal Road, Quetta	Quetta	+92-81-2843640
175	MannanChowk Branch	2-11/6-303, MannanChowk, M.A. Jinnah Road, Quetta	Quetta	+92-81-2836204-05
176	Murree Road Branch	North Star Plaza, 20-B, Murree Road, Satellite Town, Rawalpindi	Rawalpindi	+92-51-4426972-76
177	PWD Employees Society Branch	40-B, Block-B, Commercial Area Ext., PWD Employees Housing Society, LohiBhair, Islamabad Highway, Islamabad	Islamabad	+92-51-5957660-62
179	Mian Khan Road Branch	110 Mian Khan Road, Block 5, Sargodha	Sargodha	+92-48-3726609   +92-48-3729623
180	Sargodha Road Branch	Shop No.1, Ground Floor, Al-Hamd Plaza, BattiChowk, Sargodha Road, Sheikhupura	Sheikhupura	+92-56-3545724
181	Kashmir Road Branch	155/A, Bill-12S, Sublime Chowk, Kashmir Road, Sialkot	Sialkot	+92-523-241491   +92-523-241292
183	Shahdadpur Branch	Plot City Survey # 801 to 804 & 813, Station Road, Shahdadpur	Shahdadpur	+92-235-844901-02
185	Kunri Branch	Plot No. 9, Block No. 263/4 DehGaraho City, Bank Road, Kunri	Kunri	+92-238-558013-14
186	Shahdara Branch	Khasra No. 2302/172, Main Sheikhupura Road, HadbastMouza, Jiya Musa, Lahore	Lahore	+92-42-37919160
187	Mughalpur Branch	Plot No. SE-IR-266, New Abadi, HadbastMouza, Baghbanpura, Lahore	Lahore	+92-42-36844011-12
188	Ravi Road, Timber Market Branch	NWIII.R.78/5/A, Timber Market, Ravi Road, Lahore	Lahore	+92-42-37722338-9
189	Circular Road Branch	Babar Center, 51-Circular Road, Outside Akbari Gate, Lahore	Lahore	+92-42-37379250
190	BadamiBagh Branch	93-Grain Market BadamiBagh, Lahore	Lahore	+92-42-37706366   +92-42-37706086
191	Azam Cloth Market Branch	1753-Nawab Bazar, Azam Cloth Market, Lahore	Lahore	+92-42-37658134
192	Bahria Town Phase VII Branch	Plot No. 6, Mini River View Commercial Mall Extension - II, Bahria Town Phase VII, Rawalpindi	Rawalpindi	+92-51-5400184
193	Gojra Branch	Tehsil Office Road, Gojra	Gojra	+92-46-3515426-28
195	U.P. More Branch	Shop no. 1 & 2, Ground Floor, Plot No. A976, Sector 11-B, U.P. More, North Karachi	Karachi	-
197	Hala Naka Branch	Shop No. 34/10 & 94/6 Situated at Main National Highway Hala Naka Hyderabad	Hyderabad	-
198	DHA Phase II Ext. Branch	Plot No. 47-E, 21st Commercial Street, Phase II-Extension. D.H.A, Karachi	Karachi	-



## CORPORATE OFFICE

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