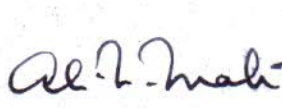


# MCB ISLAMIC BANK LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2015


		Un-Audited September 30, 2015	Audited June 30, 2015
		-----Rupees in '000-----	
<b>ASSETS</b>			
Cash and balance with treasury banks		-	-
Balances with other banks	6	10,003,384	10,000,000
Due from financial institutions		-	-
Investments - net		-	-
Islamic financing & related assets		-	-
Operating fixed assets		-	-
Deferred tax assets		-	-
Other assets	7	35,461	-
		10,038,845	10,000,000
<b>LIABILITIES</b>			
Bills payable		-	-
Due to financial institutions		-	-
Deposits and other accounts		-	-
Subordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liability		-	-
Other liabilities	8	41,556	37,693
		41,556	37,693
<b>NET ASSETS</b>		9,997,289	9,962,307
<b>REPRESENTED BY</b>			
Share capital		10,000,000	10,000,000
Reserves		-	-
Accumulated loss		(2,711)	(37,693)
		9,997,289	9,962,307
Surplus on revaluation of assets - net of tax		-	-
		9,997,289	9,962,307
Contingencies and commitments	9		

The annexed notes 1 to 12 form an integral part of these financial statements.

  
President and  
Chief Executive

  
Director

  
Director

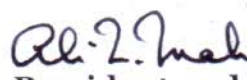
  
Director

# MCB ISLAMIC BANK LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2015


		Un-Audited September 30, 2015	Audited June 30, 2015
		-----Rupees in '000-----	
<b>ASSETS</b>	<b>Notes</b>		
Cash and balance with treasury banks		-	-
Balances with other banks	6	10,003,384	10,000,000
Due from financial institutions		-	-
Investments - net		-	-
Islamic financing & related assets		-	-
Operating fixed assets		-	-
Deferred tax assets		-	-
Other assets	7	35,461	-
		10,038,845	10,000,000
<b>LIABILITIES</b>			
Bills payable		-	-
Due to financial institutions		-	-
Deposits and other accounts		-	-
Subordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liability		-	-
Other liabilities	8	41,556	37,693
		41,556	37,693
<b>NET ASSETS</b>		<u>9,997,289</u>	<u>9,962,307</u>
<b>REPRESENTED BY</b>			
Share capital		10,000,000	10,000,000
Reserves		-	-
Accumulated loss		(2,711)	(37,693)
		<u>9,997,289</u>	<u>9,962,307</u>
Surplus on revaluation of assets - net of tax		-	-
		<u>9,997,289</u>	<u>9,962,307</u>
Contingencies and commitments	9		

The annexed notes 1 to 12 form an integral part of these financial statements.

  
President and  
Chief Executive

  
Director

  
Director

  
Director

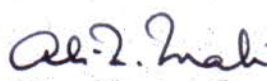
# MCB ISLAMIC BANK LIMITED

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2015

	Quarter ended September 30, 2015	Quarter ended September 30, 2014
	-----Rupees in '000-----	
<b>Notes</b>		
Profit / return earned on financings, investments and placements	40,576	-
Return on deposits and other dues expensed	-	-
	<u>40,576</u>	<u>-</u>
Provision against non-performing Islamic financing and related assets	-	-
Provision for diminution in the value of investments	-	-
Bad debts written off directly	-	-
	<u>-</u>	<u>-</u>
Net profit / income after provisions	40,576	-
<b>Other income</b>		
Fee, commission and brokerage income	-	-
Dividend income	-	-
Income from dealing in foreign currencies	-	-
Capital gain on sale of investments (net)	-	-
Other income	-	-
Total other income	<u>-</u>	<u>-</u>
	40,576	-
<b>Other expenses</b>		
Administrative expenses	5,594	-
Other provisions / write offs	-	-
Other charges	-	-
Total other expenses	<u>5,594</u>	<u>-</u>
Extra ordinary / unusual items	-	-
Profit/(Loss) before taxation	<u>34,982</u>	<u>-</u>
Taxation - Current	-	-
- Prior years	-	-
- Deferred	-	-
	<u>-</u>	<u>-</u>
Profit/(Loss) after taxation	<u>34,982</u>	<u>-</u>

The annexed notes 1 to 12 form an integral part of these financial statements.

  
President and  
Chief Executive

  
Director

  
Director

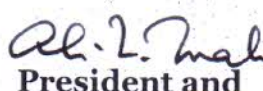
  
Director

# MCB ISLAMIC BANK LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2015

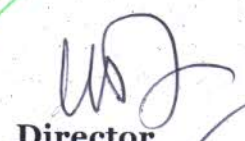
	Quarter ended September 30, 2015	Quarter ended September 30, 2014
	-----Rupees in '000-----	
Profit/(Loss) for the period	34,982	-
Other comprehensive income	-	-
<b>Total comprehensive Profit/(loss) for the period - net of tax</b>	<b>34,982</b>	<b>-</b>

The annexed notes 1 to 12 form an integral part of these financial statements.

  
**President and  
Chief Executive**

  
**Director**

  
**Director**

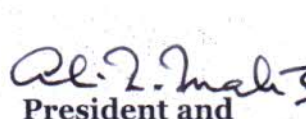
  
**Director**

# MCB ISLAMIC BANK LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2015

	Rupees in '000		
	Share capital	Revenue reserve - Accumulated loss	Total
Profit/(Loss) for the period	-	(37,693)	(37,693)
Other comprehensive income for the period	-	-	-
<b>Total comprehensive Profit/(loss) for the period</b>	-	(37,693)	(37,693)
Ordinary shares issued against cash	10,000,000	-	10,000,000
<b>Balance as on June 30, 2015</b>	10,000,000	(37,693)	9,962,307
Profit/(Loss) for three months ended September 30, 2015	-	34,982	34,982
Other comprehensive income for the period	-	-	-
<b>Total comprehensive Profit/(loss) for the period</b>	-	34,982	34,982
Ordinary shares issued against cash	-	-	-
<b>Balance as on Setember 30, 2015</b>	10,000,000	(2,711)	9,997,289

The annexed notes 1 to 12 form an integral part of these financial statements.

  
**President and  
Chief Executive**

  
**Director**

  
**Director**

  
**Director**

# MCB ISLAMIC BANK LIMITED

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2015

September 30, 2015      September 30, 2014  
-----Rupees in '000-----

### Cash flows from operating activities

Profit/(Loss) before taxation  
Less: Dividend income

34,982	-
-	-
34,982	-

Adjustments for non-cash charges  
Depreciation on fixed assets  
Provision against non-performing Islamic financing and related assets  
Provision / (reversal) for diminution in the value of investments - net  
Other provisions / (reversals)  
Bad debts written off directly  
Gain on disposal of fixed assets - net

-	-
-	-
-	-
-	-
-	-
-	-
-	-
34,982	-

(Increase) / decrease in operating assets  
Net investment in held for trading securities  
Islamic Financing & Related Assets  
Other assets - net

-	-
-	-
(35,461)	-
(35,461)	-

Increase / (decrease) in operating liabilities  
Bills payable  
Due to Financial Institution  
Deposits and other accounts  
Other liabilities

-	-
-	-
-	-
3,863	-
3,863	-
3,384	-
3,384	-

Income tax paid  
**Net cash flows from operating activities**

### Cash flows from investing activities

Net investments in 'available-for-sale' securities  
Net investments in 'held-to-maturity' securities  
Sale proceeds of operating fixed assets disposed off  
Investment in operating fixed assets

-	-
-	-
-	-
-	-

**Net cash flows from investing activities**

### Cash flows from financing activities

Increase in share capital

-	-
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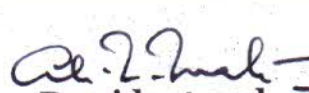
**Net cash flows from financing activities**

**Increase in cash and cash equivalents**  
Cash and cash equivalents at beginning of the period  
Cash and cash equivalents at end of period

3,384	-
10,000,000	-
<b>10,003,384</b>	-

6

The annexed notes 1 to 12 form an integral part of these financial statements.

  
**President and  
Chief Executive**

  
**Director**

  
**Director**

  
**Director**

# MCB ISLAMIC BANK LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2015.

### 1. Status and nature of business

MCB Islamic Bank Limited, a wholly owned subsidiary of MCB Bank Limited is incorporated with an authorized share capital of Rs. 15 billion in 2014. Subject to regulatory approvals, the operations of Islamic Banking Division of MCB Bank Limited will be transferred to MCB Islamic Bank Limited. The commercial operations of MCB Bank Limited will start after approval from State Bank of Pakistan.

### 2. Basis of preparation

**2.1** These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan ('SECP') differ with the requirements of IFRS or IFAS, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives prevail.

#### 2.2 Initial application of standards, amendments or an interpretation to existing standards

The bank has adopted all International Financial Reporting Standards (IFRS) as applicable in Pakistan.

The following amendments to existing standards have been published that are applicable to the bank's financial statements covering annual periods, beginning on or after the following dates:

##### 2.2.1 Standards, amendments and interpretations to approved accounting standards that are effective in current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on or after September 1, 2015 but are considered not to be relevant or to have any significant effect on the bank's operations and are, therefore, not detailed in these financial statements.

##### 2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the bank

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on or after October 01, 2015 but are considered not to be relevant or to have any significant effect on the bank's operations and are, therefore, not detailed in these financial statements.

### 3. Basis of measurement

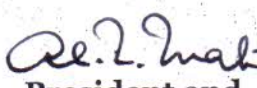
**3.1** These financial statements have been prepared under the historical cost convention.

**3.2** The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the bank's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements, are disclosed in the respective notes to the financial statements.

### 4. Significant accounting policies


The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements for the year ended June 30, 2015.

		September 2015	June 2015
		-----Rupees in '000-----	
6.	<b>Cash and cash equivalents</b>		
	Balance with other banks	10,003,384	10,000,000
7.	<b>Other Assets</b>		
	Accrued profit on balance with other banks	32,961	-
	Security Deposits	2,500	-
		35,461	-
8.	<b>Other liabilities</b>		
	Payable to MCB Bank Limited	40,753	37,424
	Accrued liabilities	803	269
		41,556	37,693
9.	<b>Contingencies and commitments</b>		
9.1	<b>Contingencies - Nil</b>		
9.2	<b>Commitments - Nil</b>		
10.	<b>Transactions with related parties</b>		
10.1	<b>Transaction at the end of the period</b>		
	Deposit with MCB Bank Ltd.	5,103,384	10,000,000
	Profit receivable from MCB Bank Ltd.	20,377	-
	Payments made by MCB Bank on behalf of MCB Islamic Bank Limited	40,753	37,693
10.2	<b>Transaction during the period</b>		
	Capital injection by MCB Bank Limited	-	10,000,000
	Profit on deposits with MCB Bank Ltd.	40,576	-
11.	<b>General</b>		
	Corresponding figures are not available as this is the first year of operations of the bank.		
12.	<b>Date of Authorization for Issue</b>		
	This condensed interim financial information was authorized for issue by the Board of Directors of the Bank in their meeting held on October ____, 2015		

  
**President and  
Chief Executive**

  
**Director**

  
**Director**

  
**Director**