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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 rules 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. Aftab Ahmad Khan	Non-Executive Director
Mr. Omair Safdar	Non-Executive Director
Mr. Muhtashim Ahmad Ashai	President / CEO

Board Audit Committee

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

Human Resource & Remuneration Committee

Dr. Khalid Zaheer	Chairman
Mr. Raza Mansha	Member
Mr. Aftab Ahmad Khan	Member
Mr. Omair Safdar	Member

Risk Management & Portfolio Review Committee

Mr. Omair Safdar	Chairman
Mr. Ahmed Ebrahim Hasham	Member
Mr. Ibrahim Shamsi	Member
Mr. Muhtashim Ahmad Ashai	Member

Board Evaluation Committee

Dr. Khalid Zaheer	Chairman
Mr. Omair Safdar	Member

Business Strategy & Service Quality Review Committee

Mr. Raza Mansha	Chairman
Mr. Aftab Ahmad Khan	Member
Mr. Ahmed Ebrahim Hasham	Member
Ms. Seema Aziz	Member
Mr. Muhtashim Ahmad Ashai	Member

I.T. Committee

Mr. Raza Mansha	Chairman
Dr. Khalid Zaheer	Member
Mr. Ibrahim Shamsi	Member
Mr. Muhtashim Ahmad Ashai	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

DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors of MCB Islamic Bank Limited (the Bank), I am pleased to present the financial results for the Third Quarter and Nine Months Ended September 30, 2019:

<i>Rs. in Million</i>			
Statement of Financial Position	Sep 30, 2019	Dec 31, 2018	Growth
Investments – net	16,353	12,714	29%
Islamic Financing – net	57,591	62,907	(8)%
Total Assets	108,003	94,864	14%
Deposits	81,134	73,307	11%
Net Shareholders' Equity	9,793	10,070	(3)%

Profit & Loss Account	Jan – Sep 2019	Jan – Sep 2018	Growth
Operating Income – net	3,140	1,421	121%
Operating and Other Expenses	3,336	2,121	57%
Loss Before Provisions	(196)	(700)	(72)%
Provisions against Financing & Investments	212	495	(57)%
Loss Before Taxation	(408)	(1,195)	(66)%
Loss After Taxation	(274)	(780)	(65)%
Basic / Diluted Loss Per Share (Rs.)	(0.25)	(0.70)	(64)%

Performance Review

Banking sector continues to face challenges stemming from weak macro-economic conditions. Despite continuous increase in SBP's policy rate over the last one year, the margins are still compressed due to re-pricing lag between earning assets and liabilities, along with rising cost of doing business, increasing regulatory and compliance costs, tax imposition, and implementation of new International Financial Reporting Standards.

Despite the above mentioned challenges, the Bank prudently managed the economic capital to attain consistent 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. This helped the Bank in showing sustainable financial performance during the period under review. **Alhamdulillah, the Bank has made a pre-tax profit of Rs.17 million for Third Quarter of 2019.**

The asset base of the bank has reached at Rs. 108 billion as of Sep 30, 2019 with 14% increase against Rs. 94.9 billion as of Dec 31, 2018. Investments also witnessed notable growth of 29%, closed at Rs. 16.4 billion as of Sep 30, 2019 against Rs. 12.7 billion as at Dec 31, 2018.

On the other hand, due to CAR constraints and prudent approach of focusing on better quality and high yielding portfolio, the Bank closed the net Financing at Rs. 57.6 billion representing a decrease of 8% from Dec 2018. The overall industry's advances growth remained subdued with a challenge of rising credit risk.

On liabilities side, with a reasonable footprint of 178 branches, the Deposit base has crossed Rs. 81 billion with 11% increase over the last year end with accumulation of no and low-cost Deposits remained a key objective of the Bank during the period under review. The Bank's CASA mix stands at a healthy rate of 84% with non-remunerative Deposits constituting 31% of total Deposit mix of the Bank as at end of Sep 2019.

The Bank has a continuous focus on promoting Islamic Banking amongst a vast potential non-banked customer base with the addition of variety of new Islamic Banking products.

During the period under review, total revenue earned with a promising growth of 151% stood at Rs. 7.3 billion compared to Rs. 2.9 billion for the corresponding period of last year. Return on earning assets stood at a robust level of 11.16% while the cost of funds was at 6.19% resulting in a net spread of 4.97% for the period under review.

On the expense side, operating expenses increase by 57% mainly due to the full current period impact of 90 branches which were taken over/merged w.e.f Jun 02, 2018 last year coupled with high inflationary pressures, significant currency devaluation, higher compliance related regulatory charges.

During the period under review, the Bank adopted the International Financial Reporting Standard IFRS 16 - "Leases", which has introduced the concept of recognizing right of use (ROU) assets and corresponding lease liabilities on the Balance Sheet of the lessee. Implicit profit expense amortized on lease liabilities and depreciation on ROU assets led to additional charge of Rs. 526 million in total whereas reversal of rental expense led to decline of Rs. 346 million in the operating expenses, resulting in net loss of Rs. 180 million for the period.

The Bank's loss before provisions during the period stood at Rs. 196 million. However, barring the aforementioned net additional impact of Rs. 180 million booked under IFRS-16, business as usual loss before provisions amounts to Rs. 16 million compared to Rs. 700 million in the comparative period; representing a huge decrease of 98%. Further the provision charge during the period mainly represents the provisions against capital market portfolio amounting to Rs. 196 million.

In view of the above developments, poor capital market performance and carrying the expansion cost; gradually increasing Balance Sheet spreads enabled the Bank's P&L improved significantly and posted an after tax loss of Rs. 274 million for the period under review against loss of Rs. 780 million for the corresponding period, representing a healthy decrease of 65%. The improvement in the Bank's profitability is also evident from loss per share after tax for the period, which came down considerably to Rs. 0.245 for the period against Rs. 0.696 in the same period of last year.

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.

Economic Review

Global economic growth outlook remains sluggish, amidst continued trade friction between US and China, uncertainty surrounding US-Iran relationship, oil production, weaker investment flows and stagnant consumer demand in both advanced and emerging markets.

On the domestic front; recent macro-economic indicators show a gradual slowdown in line with earlier expectations, and SBP expects average growth in Fiscal Year (FY) 2019-20 of around 3.5%. Large-Scale Manufacturing sector contracted by 3.6% in FY 2018-19, primarily on the back of cut in Public Sector Development Program outlay, tightening in monetary policy, currency devaluation and imposition of regulatory measures. Despite growing export volumes, the growth in export dollar proceeds has been less pronounced due to declining international unit prices. Agriculture sector's performance has been subdued, with an insignificant growth of 0.85% during FY 2018-19, on account of adverse water supplies and high input costs, while Services sector posted a growth of 4.7% during FY 2018-19. As per SBP, for the next year, the agriculture sector is expected to improve considerably whereas the services sector to be at lower side.

The stringent policy measures taken by the Government and SBP during FY 2018-19, assisted in reducing country's import bill by 9% duly supplemented by 10% growth in worker's remittances and a sizeable reduction of 32% in current account (CA) deficit.

Foreign Direct Investment remained under pressure, declining by 50% during the FY 2018-19, primarily due to uncertainty regarding exchange rate adjustments, increasing external financing risk and a weakening fiscal position. However, improvement in CA deficit, along with the activation of the Saudi oil facility and external financing from bilateral and multilateral agencies including IMF, helped to build country's foreign exchange reserves; which stood at US\$ 15 billion at end of Sep 2019 against US\$ 13.7 billion in Dec 2018.

The country's overall fiscal deficit remained high at a level of 8.9% of GDP in FY 2018-19, owing to shortfall in revenue collections, higher debt servicing costs, untargeted subsidies and loss-making Public-Sector Enterprises. However, tax revenues had grown considerably in July and Aug of FY 2019-20, suggesting that the economic slowdown may not be as pronounced as may have been feared.

The Government's action plan to curtail pressures on twin deficits and boost revenue generation through imposition of additional taxes and tariff revisions along with lagged impact of Pakistani Rupee devaluation adversely impacted Consumer Price Index, which has surged to 11.4% on a year on year basis. SBP expects the inflation to average 11 – 12% in FY 2019-20. The inflation outcomes have been largely as expected and therefore, the policy rate has been left unchanged at 13.25%.

In Pakistan, Islamic banking continues to strengthen its base through its market share at 14.4% (Rs.3 trillion) and 15.9% (Rs.2.4 trillion) for assets and deposits respectively as of Jun 2019, with branch network of 2,913 branches, including sub-branches.

Future Outlook

The Bank will continue with its strategy of long-term sustainable profitability. To achieve this objective, the Bank will be focusing on generating no and low-cost Deposits, high earning assets, containment of operating expenses and better service quality is expected to improve the spreads on the Balance Sheet.

The economic stabilization measures taken during the last few months have given some breathing space to the economy but implementation of key structural reforms is the only way to put the economy back on track towards self-sustaining economic growth and durable financial stability.

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.

For and on behalf of the Board of Directors



Raza Mansha
Chairman
October 16, 2019

تسلیم و تحسین

بورڈ آف ڈائریکٹرز کی جانب سے میں اپنے صارفین، کاروباری شراکت دار اور شیئر ہولڈرز کا انکے مسلسل اعتماد اور تعاون پر تہہ دل سے مشکور ہوں۔ میں اسٹیٹ بینک آف پاکستان، سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر انضباطی اداروں 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۔

منجانب و برائے بورڈ آف ڈائریکٹرز:



رضانہ شاہ

چیئر مین

16 اکتوبر 2019

خدمات کے شعبہ میں مالی سال 19-2018 کی نسبت 4.7 فیصد کی ترقی دیکھی گئی۔ اسٹیٹ بینک آف پاکستان کے مطابق آنے والے سال کے دوران زرعی شعبہ میں خاطر خواہ ترقی کے امکانات ہیں اور خدمات کے شعبہ میں نمو کے امکانات معدوم ہیں۔

مالی سال 2018-19 کے دوران حکومت اور اسٹیٹ بینک آف پاکستان کی جانب سے سخت پالیسی اقدامات کے باعث ملک کی درآمدات کے بل میں 9 فیصد کی نمایاں کمی ہوئی اور اس کے ساتھ افرادی ترسیلات میں 10 فیصد کا اضافہ اور کرنٹ اکاؤنٹ خسارہ میں 32 فیصد کی کمی واقع ہوئی۔

غیر ملکی براہ راست سرمایہ کاری پر دباؤ برقرار رہا اور مالی سال 2018-19 میں اس میں 50 فیصد کی کمی درج کی گئی، جس کے بنیادی عوامل میں زرمبادلہ کے توازن میں غیر یقینی، بیرونی قرضہ جات سے متعلقہ خدشات میں اضافہ اور کمزور مالی صورتحال شامل ہیں۔ تاہم کرنٹ اکاؤنٹ خسارہ میں بہتری اور اسکے ساتھ سعودی عرب کی جانب سے تیل کی سہولت کے آغاز اور دوطرفہ کثیر لاطراف ایجنسیوں بشمول آئی ایم ایف سے بیرونی قرضوں کی فراہمی نے ملک کے زرمبادلہ کے ذخائر کو مضبوط کرنے میں مدد فراہم کی ہے جو کہ دسمبر 2018 کے 13.7 بلین امریکی ڈالر کے حجم سے بڑھتے ہوئے ستمبر 2019 کے اختتام تک 15 بلین امریکی ڈالر پر جا پہنچے۔

ملک کا مجموعی مالی خسارہ مالی سال 2018-19 کے دوران آمدنی کی وصولیوں میں کمی، قرضوں کی بڑھتی لاگت، غیر تعین شدہ سبسڈیز (امداد) اور نقصان زدہ سرکاری ملکیتی اداروں کے باعث اب بھی جی ڈی پی کی 8.9 فیصد کی ایک بلند شرح پر موجود ہے۔ تاہم مالی سال 2019-20 میں جولائی اور اگست کے مہینوں میں ٹیکس کی وصولیوں میں خاطر خواہ اضافہ ہوا ہے جو اس امر کا عائدیدہ رہا ہے کہ معاشی سست روی کے جن خدشات کا اظہار کیا جا رہا شاید وہ اتنے شدید نہ ہوں۔

حکومت کا نئے ٹیکسوں کے نفاذ اور محصولات کی تجدید کے ذریعہ اس دہرے خسارہ پر دباؤ کو کم کرنے اور آمدنی کے ذرائع کو تقویت دینے کا ارادہ ہے اور اسکے ساتھ ساتھ (سی پی آئی) صارفین کی قیمتوں کے جدول، جو کہ سال بہ سال کی بنیاد پر 11.4 فیصد تک تجاوز کر چکا ہے، پر پاکستانی کرنسی کی تنزلی کے اثرات کے مضمرات کو قدرے کم کر سکے۔ اسٹیٹ بینک آف پاکستان کو مالی سال 2019-20 کے دوران افراط زر کی اوسط شرح 11 سے 12 فیصد تک رہنے کی توقع ہے۔ افراط زر کے زیادہ تر اثرات توقع کے عین مطابق ہیں لہذا پالیسی ریٹ کی شرح 13.25 فیصد پر قائم رکھی گئی ہے۔

پاکستان میں اسلامی بینکاری اپنے 14.4 فیصد (3 ٹریلین روپے) کے اثاثہ جات، 15.9 فیصد (2.4 ٹریلین روپے) کے ڈیپازٹس اور 2,913 برانچوں کے نیٹ ورک، بشمول ذیلی برانچیں، کے مارکیٹ میں اپنے حصہ کے ساتھ اپنی جڑوں کو مضبوط بنانے کے لیے کوشاں ہے۔

مستقبل کی پیش بینی

بینک پائیدار ترقی کی طویل المدت حکمت عملی کو جاری رکھے ہوئے ہے۔ اس مقصد کے حصول کے لیے بینک بغیر یا کم لاگت کے ڈیپازٹس کے حصول، پیداواری اثاثہ جات میں اضافہ، کاروباری اخراجات کو محدود رکھنے اور اعلیٰ معیار کی خدمات پر اپنی توجہ مرکوز رکھے گا تاکہ میزانیہ میں موجود سپرڈ کو بہتر بنایا جاسکے۔ گزشتہ چند ماہ کے دوران معاشی استحکام کے لیے کئے گئے اقدامات نے معیشت کو کچھ تقویت تو بخشی ہے مگر بنیادی اور تعمیراتی اصلاحات کا نفاذ ہی وہ واحد راستہ ہے جس سے ملک کی معیشت کو پائیدار معاشی ترقی اور دیرپا مالی استحکام کی راہ پر دوبارہ گامزن کیا جاسکتا ہے۔

اس زیر نظر عرصہ کے دوران بینک نے انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈ IFRS 16 لیزز (Leases) کا باقاعدہ نفاذ کر دیا ہے۔ جس میں اثاثہ جات کے استعمال کے حق اور لیسے (Lessee) کے میزانیہ میں تقابلی لیز کے واجبات کے اندراج کے تصور کا آغاز کیا گیا ہے۔ مکمل منافع کے اخراجات کو لیز کے واجبات سے بے باق کرنے اور اثاثہ جات کے حق استعمال پر فرسودگی سے 526 ملین روپے کا اضافی خرچ حاصل ہوا جبکہ کرایہ داری اخراجات میں کٹوتی سے کاروباری اخراجات میں 346 ملین روپے کی کمی واقع ہوئی۔ جس کے نتیجے میں اس مدت کے دوران 180 ملین روپے کا خالص نقصان درج کیا گیا۔

اخراجات (پروویژن) کے تعین سے پہلے بینک کے نقصان کا حجم 196 ملین روپے تھا۔ تاہم مندرجہ بالا آئی ایف آر ایس (IFRS) 16 کے تحت تخمینہ کئے گئے 180 ملین روپے کے اضافی خرچ سے قطع نظر بینک کے عمومی کاروباری نقصان کی سطح (پروویژن) اخراجات کے تعین سے پہلے گزشتہ تقابلی مدت کی 700 ملین روپے کی نسبت 16 ملین روپے رہی۔ جو کہ 98 فیصد کی ایک وسیع ترین کمی کا مظہر ہے۔ مزید برآں، اس عرصہ کے دوران پروویژن کے اخراجات میں کیپٹل مارکیٹ کے پورٹ فولیو سے متعلق 196 ملین روپے کی پروویژن کا نمایاں کردار ہے۔

مندرجہ بالا عوامل کے پیش نظر، کیپٹل مارکیٹ کی ناقص کارکردگی اور اپنی وسعت کے اخراجات کے اندراج اور بیلنس شیٹ (میزانیہ) کے سپریڈز میں ہونے والی بتدریج بہتری کے باعث بینک کے نفع و نقصان میں نمایاں بہتری ہوئی ہے اور گزشتہ تقابلی مدت کے 780 ملین روپے کے نقصان کے مقابلہ میں اس زیر تجزیہ مدت کے دوران 274 ملین روپے کا بعد از ٹیکس نقصان درج کیا گیا ہے۔ جو کہ 65 فیصد کی قابل تحسین کمی کا مظہر ہے۔ بینک کی منفعت میں بہتری کا اندازہ نقصان فی حصص بعد از ٹیکس سے بھی لگایا جاسکتا ہے۔ جیسا کہ نقصان فی حصص گزشتہ سال کے اسی عرصہ کے دوران 0.696 فی حصص کے مقابلہ میں نمایاں طور پر کم ہوتا ہوا اس مدت میں 0.245 فی حصص پر درج کیا گیا۔

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۔

معاشی جائزہ

عالمی معاشی ترقی کی پیش بینی امریکہ اور چین کے مابین جاری تجارتی تناؤ، امریکہ اور ایران کے تعلقات میں بے یقینی، تیل کی پیداوار، کمزور سرمایہ کاری اور ترقی یافتہ اور ابھرتی ہوئی منڈیوں میں صارفین کی طلب میں کیسانیت کے باعث مسلسل سست روی کا شکار ہے۔ داخلی محاذ پر حالیہ میکرو اکنامک اشارے توقع کے عین مطابق بتدریج سست روی کو ظاہر کر رہے ہیں اور اسٹیٹ بینک آف پاکستان کو مالی سال 20 - 2019 کے دوران تقریباً 3.5 فیصد کی اوسط نمو کی توقع ہے۔ پبلک سیکٹر ڈیولپمنٹ پروگرام کے اخراجات میں کٹوتی، مالیاتی پالیسی میں جاری سختی، کرنسی کی قدر میں تنزلی اور اصلاحی اقدامات کے نفاذ جیسے بنیادی عوامل کی بدولت مالی سال 2018-19 میں بڑے پیمانے کی صنعت کے شعبہ میں 3.6 فیصد کی تطہیر ہوئی۔ اگرچہ برآمدات کے حجم میں اضافہ ہوا تاہم برآمدات کے ان حاصل شدہ ڈالرز کی ترسیلات، گرتی ہوئی عالمی قیمتوں کی نسبت قدرے سببی رہا۔ زرعی شعبہ بھی پانی کی ناموافق رسد اور کاروباری لاگت میں اضافہ کے باعث غیر تسلی بخش کارکردگی کا مظاہرہ کر سکا اور مالی سال 2018 - 19 سے محض 0.85 فیصد کی نہایت معمولی نمو حاصل کر سکا۔ جبکہ

کارکردگی کا جائزہ

بینکاری کے شعبہ کو کمزور میکرو اکنامک صورتحال کے چیلنجز مسلسل درپیش ہیں۔ گزشتہ ایک سال کے دوران اسٹیٹ بینک آف پاکستان کے پالیسی ریٹ میں مستقل اضافہ کے جاری رہنے کے باوجود پیداواری اثاثہ جات اور واجبات کی قیمتوں کے ازسرنو تعین میں موجود تفاوت اور اس کے ساتھ کاروبار کرنے کی بڑھتی لاگت، تعمیلی اور انضباطی لاگوں میں اضافہ، ٹیکسوں کے نفاذ اور نئے انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کے نفاذ کے باعث مارجنز (margins) بھی مزید سکڑ رہے ہیں۔

مندرجہ بالا خدشات کے باوجود بینک نے اپنے معاشی سرمایہ کو نہایت احسن طریقہ سے استعمال کیا ہے۔ تاکہ اپنی ڈیپازٹس کی اساس اور اثاثہ جات کے اعلیٰ ترین معیار، جن کے ساتھ اپنے ادارے کے موزوں ترین انتظامی ڈھانچے، خدشات کے تدارک کے کثیرالجہت نظام اور انضباطی ہدایات کی مناسب تعمیل کی بدولت، پائیدار نمو کو حاصل کیا جاسکے۔ اس سے بینک کو اس زیر جائزہ عرصہ کے دوران ایک مضبوط مالیاتی کارکردگی دکھانے میں بھی کامیابی ہوئی۔ الحمد للہ، سال 2019 کی تیسری سہ ماہی میں، بینک نے 17 ملین روپے کا منافع قبل از ٹیکس حاصل کیا ہے۔

بینک کے اثاثہ جات کی بنیاد 31 دسمبر 2018 کے 94.9 بلین روپے کے حجم سے 14 فیصد کی ترقی کے ساتھ 30 ستمبر 2019 تک 108 بلین روپے پر جا پہنچی۔ سرمایہ کاری میں بھی 29 فیصد کی قابل قدر ترقی دیکھی گئی جو کہ 31 دسمبر 2018 کی 12.7 بلین روپے کی سطح سے 30 ستمبر 2019 تک بڑھتے ہوئے 16.4 بلین روپے پر درج ہوئی۔

دوسری طرف سی اے آر (CAR) میں موجود رکاوٹوں اور اپنے پورٹ فولیو کے بہتر معیار اور بلند آمدنی پر مبنی حکمت عملی پر خصوصی ارتکاز کے باعث بینک کے خالص قرضہ جات دسمبر 2018 سے 8 فیصد کی کمی کے ساتھ 57.6 بلین روپے پر بند ہوئے۔ بڑھتے ہوئے کریڈٹ خدشات کے چیلنجز کی بناء پر صنعت کے مجموعی قرضہ جات کی ترقی ماند رہی۔

واجبات کے حوالہ سے، اپنی 178 برانچوں کے مضبوط نیٹ ورک کے ساتھ بینک کے ڈیپازٹس کی اساس گزشتہ سال کے اختتام کے مقابلہ میں 11 فیصد کے اضافہ کے ساتھ 81 بلین روپے کے حجم کو عبور کر گئی۔ اس زیر تجزیہ عرصہ میں، بینک کے کلیدی مقاصد میں کم یا بغیر لاگت کے ڈیپازٹس کا فروغ شامل رہا۔ بینک کے سا (CASA) کی ترکیب 84 فیصد کی نہایت توانا شرح کو ظاہر کرتی ہے۔ جن میں ستمبر 2019 کے اختتام تک بینک کے کل ڈیپازٹس کی ترکیب کا 31 فیصد غیر پیداواری ڈیپازٹس پر مشتمل ہے۔

بینکاری کی خدمات سے محروم ممکنہ صارفین میں اسلامی بینکاری کی پیش بھاء اور نئی پراڈکٹس کے ذریعہ اسلامی بینکاری کے فروغ پر بینک خصوصی توجہ رکھے ہوئے ہے۔

اس زیر تجزیہ عرصہ کے دوران کل آمدنی گزشتہ سال کی تقابلی مدت کے 2.9 بلین روپے کے حجم کی نسبت 151 فیصد کے شاندار اضافہ کے ساتھ 7.3 بلین روپے کی سطح پر درج ہوئی۔ اثاثہ جات کی آمدنی کی شرح 11.16 فیصد جبکہ سرمایہ کی طلاگت کی شرح 6.19 فیصد رہی جسکی بدولت اس زیر تجزیہ عرصہ میں خالص سپرڈ کی شرح 4.97 فیصد پر درج ہوئی۔

اخراجات کی مد میں، کاروباری اخراجات میں 57 فیصد کا اضافہ دیکھا گیا جس کی بنیادی وجوہات میں 2 جون 2018 سے حاصل شدہ

انضمام شدہ 90 برانچوں کے اخراجات کا پورے عرصہ کے لیے تعین اور اس کے ساتھ ساتھ اغراطر کے دباؤ، کرنسی میں نمایاں تنزلی اور تعمیلی اور انضباطی اخراجات میں اضافہ شامل ہیں۔

ممبران کیلئے ڈائریکٹرز رپورٹ:

میں انتہائی مسرت کے ساتھ ایم سی بی اسلامک بینک لمیٹڈ (بینک) کے بورڈ آف ڈائریکٹرز کی جانب سے، 30 ستمبر 2019 کو ختم ہونے والے نو ماہ عرصہ کے مالیاتی نتائج پیش کر رہا ہوں:

مالیاتی پوزیشن کی اسٹیٹمنٹ	30 ستمبر 2019	31 ستمبر 2018	شرح ترقی (%)
	ملین روپے		
سرمایہ کاری - خالص	16,353	12,714	29
اسلامک فنڈنگ - خالص	57,591	62,907	(8)
کل اثاثہ جات	108,003	94,864	14
ڈیپازٹس	81,134	73,307	11
حصص یافتگان کی ایکویٹی - خالص	9,793	10,070	(3)

نفع نقصان کھاتہ	جنوری - ستمبر 2019	جنوری - ستمبر 2018	شرح ترقی (%)
	ملین روپے		
کاروباری آمدن - خالص	3,140	1,421	121
کاروباری و دیگر اخراجات	3,336	2,121	57
نقصان قبل از پروویژنز	(196)	(700)	(72)
سرمایہ کاری اور فنڈنگ کے عوض پروویژن	212	495	(57)
خسارہ قبل از ٹیکس	(408)	(1,195)	(66)
خسارہ بعد از ٹیکس	(274)	(780)	(65)
بنیادی / معتدل فی حصص خسارہ (روپے)	(0.25)	(0.70)	(64)



MCB Islamic Bank Ltd.

CONDENSED INTERIM FINANCIAL STATEMENTS



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019**

	Note	(Un-audited) September 30, 2019	(Audited) December 31, 2018
ASSETS			
Cash and balances with treasury banks	8	8,607,384	6,990,369
Balances with other banks	9	4,518,399	1,422,701
Due from financial institutions	10	8,971,664	4,675,000
Investments - net	11	16,352,916	12,713,954
Islamic financing and related assets - net	12	57,591,498	62,907,204
Fixed assets	13	5,371,750	2,619,980
Intangible assets	14	546,021	524,791
Deferred tax assets - net	15	996,783	751,065
Other assets - net	16	5,047,058	2,258,686
		108,003,473	94,863,750
LIABILITIES			
Bills payable	18	1,099,706	1,303,992
Due to financial institutions	19	8,742,853	7,800,628
Deposits and other accounts	20	81,133,637	73,307,185
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debts		-	-
Deferred tax liabilities - net		-	-
Other liabilities	21	7,233,821	2,382,431
		98,210,017	84,794,236
NET ASSETS		<u>9,793,456</u>	<u>10,069,514</u>
REPRESENTED BY			
Share capital	22	11,200,000	11,200,000
Reserves	23	26,444	26,444
Surplus on revaluation of assets - net of tax	24	129,504	132,272
Accumulated loss		(1,562,492)	(1,289,202)
		<u>9,793,456</u>	<u>10,069,514</u>
CONTINGENCIES AND COMMITMENTS	25		

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

SYED IFTIKHAR HUSSAIN RIZVI
CHIEF FINANCIAL OFFICER

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OMAIR SAFDAR
DIRECTOR

DR. KHALID ZAHEER
DIRECTOR

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019**

		Quarter ended September 30, 2019	Period ended September 30, 2019	Quarter ended September 30, 2018	Period ended September 30, 2018
Note					
		Rupees in thousands			
	Profit / return earned	26	2,785,490	7,154,107	1,081,745
	Profit / return expensed	27	1,565,466	4,200,212	587,645
	Net spread earned		1,220,024	2,953,895	494,100
					1,161,780
OTHER INCOME					
	Fee and commission income	28	64,908	206,060	40,034
	Dividend income		13,082	57,089	3,326
	Foreign exchange income		(37,527)	21,562	17,162
	(Loss) / gain on securities - net	29	(69,986)	(113,063)	2,128
	Other income	30	4,985	14,444	3,246
	Total other (loss) / income		(24,538)	186,092	65,896
					260,113
	Total income		1,195,486	3,139,987	559,996
					1,421,893
OTHER EXPENSES					
	Operating expenses	31	1,091,784	3,311,671	942,030
	Workers welfare fund		-	-	-
	Other charges	32	24,124	24,224	3,181
	Total other expenses		1,115,908	3,335,895	945,211
					2,121,294
	Profit / (loss) before provisions		79,578	(195,908)	(385,215)
	Provisions and other write offs - net	33	62,811	212,480	241,895
	Extra ordinary / unusual items		-	-	-
					-
	PROFIT / (LOSS) BEFORE TAXATION		16,767	(408,388)	(627,110)
					(1,194,602)
	Taxation	34	14,322	(134,465)	(217,621)
					(414,756)
	PROFIT / (LOSS) AFTER TAXATION		2,445	(273,923)	(409,489)
					(779,846)
Rupees					
	Basic and diluted earnings / (loss) per share - after tax	35	0.002	(0.245)	(0.366)
					(0.696)

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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019**

	Quarter ended September 30, 2019	Period ended September 30, 2019	Quarter ended September 30, 2018	Period ended September 30, 2018
Rupees in thousands				
Profit / (Loss) after taxation for the period	2,445	(273,923)	(409,489)	(779,846)
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of investments	80,594	(3,285)	(3,379)	150,596
Related deferred tax (liability) / assets	(28,208)	1,150	1,183	(52,709)
	52,386	(2,135)	(2,196)	97,887
Total comprehensive income / (loss)	54,831	(276,058)	(411,685)	(681,959)

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

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019**

	Share Capital	Statutory Reserve	Surplus / (deficit) on revaluation of		(Accumulated Loss)	Total
			Investments	Fixed Assets		
Rupees in thousands						
Balance as at January 01, 2018	10,000,000	26,444	(386,764)	185,164	(194,065)	9,630,779
Change in equity for the nine months ended September 30, 2018						
Total comprehensive income / (loss) for the nine months ended September 30, 2018						
Loss for the nine months ended September 30, 2018	-	-	-	-	(779,846)	(779,846)
Other comprehensive income - net of tax	-	-	97,887	-	-	97,887
	-	-	97,887	-	(779,846)	(681,959)
Transfer from surplus on revaluation of fixed assets to unappropriated loss in respect of incremental depreciation - net of tax	-	-	-	(633)	633	-
Transactions with owners, recorded directly in equity						
Issue of right shares	1,200,000	-	-	-	-	1,200,000
Balance as at September 30, 2018 (Un-audited)	11,200,000	26,444	(288,877)	184,531	(973,278)	10,148,820
Change in equity for the three months ended December 31, 2018						
Total comprehensive income / (loss) for the three months period ended December 31, 2018						
Loss for the three months period ended December 31, 2018	-	-	-	-	(316,136)	(316,136)
Other comprehensive income - net of tax	-	-	236,830	-	-	236,830
	-	-	236,830	-	(316,136)	(79,306)
Transfer from surplus on revaluation of fixed assets to unappropriated loss in respect of incremental depreciation - net of tax	-	-	-	(212)	212	-
Balance as at December 31, 2018 (Audited)	11,200,000	26,444	(52,047)	184,319	(1,289,202)	10,069,514
Change in equity for nine months ended September 30, 2019						
Total comprehensive loss for the nine months ended September 30, 2019						
Loss for the nine months ended September 30, 2019	-	-	-	-	(273,923)	(273,923)
Other comprehensive loss - net of tax	-	-	(2,135)	-	-	(2,135)
	-	-	(2,135)	-	(273,923)	(276,058)
Transfer from surplus on revaluation of fixed assets to unappropriated loss in respect of incremental depreciation - net of tax	-	-	-	(633)	633	-
Transactions with owners, recorded directly in equity						
Issue of right shares	-	-	-	-	-	-
Balance as at September 30, 2019 (Un-audited)	11,200,000	26,444	(54,182)	183,686	(1,562,492)	9,793,456

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

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**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019**

		September 30, 2019	September 30, 2018
		Rupees in thousands	
	Note		
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(408,388)	(1,194,602)
Less: Dividend income		(57,089)	(44,845)
		<u>(465,477)</u>	<u>(1,239,447)</u>
Adjustments			
Depreciation - Owned assets		203,102	151,462
Depreciation -Right-of-use asset		293,445	-
Unwinding of liability against ROU asset		232,885	-
Depreciation - Ijarah assets		729,206	382,519
Amortization		82,438	63,970
Provisions and other write offs - net	33	212,480	495,099
Unrealized gain on forward exchange contracts - net		179,696	(6,784)
Loss / (gain) on sale of securities - net	29	113,063	(17,796)
Gain on sale of fixed assets	30	(98)	-
Loss on sale of fixed assets	32	83	-
		<u>2,046,300</u>	<u>1,068,470</u>
		1,580,823	(170,977)
(Increase) / decrease in operating assets			
Due from financial institutions		(4,296,664)	(350,000)
Islamic financing and related assets		4,570,178	(26,758,309)
Other assets		<u>(3,064,557)</u>	<u>(661,252)</u>
		(2,791,043)	(27,769,561)
Increase / (decrease) in operating liabilities			
Bills payable		(204,286)	(369,125)
Due to financial institutions		1,024,094	(795,939)
Deposits and other accounts		7,826,452	9,475,142
Other liabilities		<u>2,298,681</u>	<u>425,207</u>
		10,944,941	8,735,285
		9,734,722	(19,205,253)
Payment against ROU asset		(341,670)	-
Income tax paid		<u>(112,270)</u>	<u>(30,531)</u>
Net cash generated from / (used in) operating activities		9,280,782	(19,235,784)
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(20,063,796)	(4,240,836)
Net investments in held-to-maturity securities		(1,368,391)	172,500
Dividend received		45,056	61,895
Proceeds from sale of securities		17,480,719	480,324
Investments in fixed assets	13.2	(476,475)	(464,522)
Proceeds from demerger scheme		-	22,214,180
Proceeds from sale of fixed assets		356	-
Investments in intangible assets	14.1	(103,669)	-
Net cash (used in) /generated from investing activities		(4,486,200)	18,223,541
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	22	-	1,200,000
Net cash generated from financing activities		-	1,200,000
Increase / (decrease) in cash and cash equivalents during the period		4,794,582	187,757
Cash and cash equivalents at the beginning of the period		8,331,201	6,094,004
Cash and cash equivalents acquired under demerger scheme		-	722,679
Cash and cash equivalents at the end of the period	36	<u>13,125,783</u>	<u>7,004,440</u>

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**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019**

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 178 branches in Pakistan (December 31, 2018: 176 branches). The Registered Office of the Bank is situated at 59 Block T, Phase II, DHA, Lahore Cantt and Principal Office is situated at 339 Block Z, Phase III, DHA Lahore Cantt.
- 1.4** Pakistan Credit Rating Agency (PACRA) has maintained the Bank's medium to long-term rating as "A" and the short-term rating as 'A-1' with stable outlook.

2 BASIS OF PRESENTATION

- 2.1** The Bank provides financing through Shari'ah compliant financing products mainly through Murabaha, Istisna, 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, 2018.

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).

Whenever 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', International Accounting Standard (IAS) 39 'Financial Instruments: Recognition and Measurement' and IAS 40, 'Investment Property' for Banking Companies through BPRD Circular No. 04 of 2015 dated February 25, 2015 and 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

The State Bank of Pakistan (SBP) through its BPRD Circular Letter No. 05 of 2019 dated March 22, 2019 has amended the format of condensed interim financial statements of banks. All banks are directed to prepare their condensed interim financial statements on the revised format effective from the accounting year starting from January 01, 2019. Accordingly, the Bank has prepared these condensed interim financial statements on the new format prescribed by the State Bank of Pakistan.

The Bank has initially adopted "IFRS 15 Revenue from Contracts with Customers" and "IFRS 16 Leases" effective 01 January 2019. IFRS 15 established a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The Bank has initially adopted IFRS 15 from 01 January 2019. The timing or amount of income from contracts with customers was not impacted by the adoption of IFRS 15, accordingly, the adoption of this standard has no material impact in these condensed interim financial statements. The impact of adoption of IFRS 16 on the Bank's condensed interim financial statements is disclosed in note 6.1.

In addition, there are certain other 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, 2019. 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)
IFRS 3, Business Combinations - (Amendments)	January 1, 2020
IAS 1, Presentation of Financial Statements (Amendments)	January 1, 2020
IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2020
IFRS 9, Financial Instruments: Classification and Measurement	June 30, 2019

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, based on the guidance received from SBP, the requirements of IFRS 9 have not been considered for Pakistan operations of the Bank in preparation of these condensed interim financial statements.

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.

The Bank expects that adoption of the remaining amendments will not affect its financial statements in the period of initial application.

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 and foreign exchange contracts have been marked to market and carried at fair value.

- 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, 2018 except for the new significant judgements relate to lessee accounting under IFRS 16, which are described in note 6.1

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, 2018, except for the following:

6.1 Change in Accounting Policy

IFRS 16 introduces an on balance sheet accounting model for long term Ijarahs (short-term and having underlying assets of low value continue to be treated as Ijarah of Musta'jir under IFAS 02). Musta'jir recognizes a right-of-use asset representing its right of using the underlying asset and a corresponding Ijarah liability representing its obligations to make Ujah (lease) payments. However, accounting for Ijarah of Muj'ir (lessors) remains the same as required under IFAS 02 i.e. Muj'ir continue to present assets subject to Ijarah according to the nature of the asset, distinguished from the assets in own use.

The Bank has adopted IFRS 16 from Jan 01, 2019, and has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the Standard.

On adoption of IFRS 16, the Bank has recognised liabilities in respect of Ijarahs of Musta'jir which had previously been shown off-balance sheet. These liabilities were measured as the present value of the remaining Ijarah payments, discounted using the Bank's incremental borrowing rate. The associated right-of use assets were measured at the amount equal to the Ijarah liability, adjusted by the amount of prepaid Ujah payments recognised in the statement of financial position immediately before the date of initial application.

The Ijarah liability is subsequently measured at amortized cost using the effective borrowing rate. The right-of-use assets are depreciated on a straight line basis over the Ijarah term. The right-of-use assets are reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

The change in accounting policy affected the following items in the statement of financial position as on September 30, 2019:

- Right-of-Use assets recognized as Fixed assets- increase by Rs.2,478.737 million;
- Ijarah liabilities recognized as Other liabilities- increase by Rs.2,532.712 million

The impact on profit and loss account for the period Jan 01, 2019 to Sep 30, 2019 was a increase of charge of Rs. 180.337 million.

Payments associated with short-term Ijarahs and having low-value assets are recognized on a straight-line basis as an expense in profit or loss.

7 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual financial statements for the year ended December 31, 2018.

	Note	(Un-audited) September 30, 2019	(Audited) December 31, 2018
8 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
- local currency		2,462,393	1,963,099
- foreign currencies		-	561,844
		<u>2,462,393</u>	<u>2,524,943</u>
With State Bank of Pakistan (SBP) in			
- local currency current account	8.1	4,563,504	3,429,560
- foreign currency current accounts			
cash reserve account	8.2	310,858	188,019
special cash reserve account	8.3	367,146	219,402
US\$ clearing account		50,298	104,396
		<u>728,302</u>	<u>511,817</u>
With National Bank of Pakistan in			
- local currency current account		853,185	524,049
		<u>8,607,384</u>	<u>6,990,369</u>

- 8.1** The local currency current account is maintained with the SBP under the Cash Reserve Requirement of section 22 of Banking Companies Ordinance, 1962. This section requires banking companies to maintain a local currency cash reserve in the current account opened with the SBP at a sum not less than such percentage of its time and demand liabilities in Pakistan as prescribed by the SBP from time to time.
- 8.2** As per BSD Circular No. 15 dated June 21, 2008, cash reserve of 5% is required to be maintained with the SBP on deposits held under the New Foreign Currency Accounts Scheme (FE-25 deposits). This account is non-remunerative in nature.
- 8.3** Special cash reserve of 6% is required to be maintained with the SBP on FE-25 deposits as specified in BSD Circular No. 15 dated June 21, 2008. This account is non-remunerative in nature.

	Note	(Un-audited) September 30, 2019	(Audited) December 31, 2018
9 BALANCES WITH OTHER BANKS			
In Pakistan			
- deposit account	9.1	1,502,607	979,332
Outside Pakistan			
- current account		3,015,792	443,369
		<u>4,518,399</u>	<u>1,422,701</u>

- 9.1** This represents saving accounts carrying profit at expected rates ranging from 3.0% to 12.65% per annum (December 31, 2018: 0.03% to 9.95% per annum).

	Note	(Un-audited) September 30, 2019	(Audited) December 31, 2018
10 DUE FROM FINANCIAL INSTITUTIONS			
Secured			
Bai Muajjal receivable - with State Bank of Pakistan	10.1	3,371,664	-
Unsecured			
Musharaka arrangements	10.2	5,600,000	4,675,000
		<u>8,971,664</u>	<u>4,675,000</u>

- 10.1** This includes average return of 10.35% per annum (December 31, 2018: Nil) having maturity on February 07, 2020 (December 31, 2018: Nil).

- 10.2** This represents Musharaka arrangements with banks carrying profit at expected rates ranging from 11.40% to 12.50% per annum (December 31, 2018: 9.25% to 9.55% per annum) and having maturity till October 04, 2019.

	(Un-audited) September 30, 2019	(Audited) December 31, 2018
	Rupees in thousands	
10.3 Particulars of due from financial institutions		
- local currency	8,971,664	4,675,000
- foreign currencies	-	-
	<u>8,971,664</u>	<u>4,675,000</u>

11 INVESTMENTS

11.1 Investments by type:

September 30, 2019 (Un-audited)

Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
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Rupees in thousands

Available-for-sale securities

Federal Government securities
Shares
Non Government securities

10,913,131	-	(23,206)	10,889,925
2,053,042	1,078,061	(63,759)	911,222
1,214,834	-	3,608	1,218,442
14,181,007	1,078,061	(83,357)	13,019,589

Held-to-maturity securities

Federal Government securities
Non Government securities

2,700,827	-	-	2,700,827
632,500	-	-	632,500
3,333,327	-	-	3,333,327

Total Investments

17,514,334	1,078,061	(83,357)	16,352,916
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December 31, 2018 (Audited)

Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
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Rupees in thousands

Available-for-sale securities

Federal Government securities
Shares
Non Government securities

8,452,080	-	(41,163)	8,410,917
1,831,580	881,903	(43,325)	906,352
1,427,333	-	4,416	1,431,749
11,710,993	881,903	(80,072)	10,749,018

Held-to-maturity securities

Federal Government securities
Non Government securities

1,159,936	-	-	1,159,936
805,000	-	-	805,000
1,964,936	-	-	1,964,936

Total Investments

13,675,929	881,903	(80,072)	12,713,954
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- 11.1.1** There was no investment given as collateral as at September 30, 2019 (December 31, 2018: Nil).

	(Un-audited) September 2019	(Audited) December 31, 2018
	Rupees in thousands	
11.2 Provision for diminution in value of investments		
Opening balance	881,903	-
Charge for the period / year	233,412	881,903
Reversal on disposals	(37,254)	-
	196,158	881,903
Closing balance	<u>1,078,061</u>	<u>881,903</u>

- 11.3** Government securities classified as Held to Maturity represent receivable from Government of Pakistan against sale of GoP Ijarah Sukuk certificates (GIS - 16 and GIS - 18). The credit price will be recovered at the time of maturity.

- 11.4** The market value of non Government securities classified as held-to-maturity as at September 30, 2019 amounted to Rs.639.065 million (December 31, 2018: Rs.814.422 million).

12 ISLAMIC FINANCING AND RELATED ASSETS - NET

Note	Performing		Non performing		Total		
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018	
Rupees in thousands							
Murabaha	12.1	9,608,567	17,096,368	3,272	759	9,611,839	17,097,127
Istisna	12.2	2,632,139	1,793,878	-	-	2,632,139	1,793,878
Salam		45,705	4,118	-	-	45,705	4,118
Ijarah	12.3	4,811,739	4,269,903	2,815	-	4,814,554	4,269,903
Running Musharaka	12.4	19,979,660	19,441,575	-	-	19,979,660	19,441,575
Diminishing Musharaka	12.5	18,825,641	19,047,410	356,748	10,007	19,182,389	19,057,417
Staff finance	12.6	1,356,289	1,258,046	-	-	1,356,289	1,258,046
Islamic financing and related assets - gross		57,259,740	62,911,298	362,835	10,766	57,622,575	62,922,064
Less: Provision against non-performing Islamic financing and related assets							
- Specific		-	-	(1,897)	(758)	(1,897)	(758)
- General		(29,180)	(14,102)	-	-	(29,180)	(14,102)
	12.9	(29,180)	(14,102)	(1,897)	(758)	(31,077)	(14,860)
Islamic financing and related assets - net of provisions		57,230,560	62,897,196	360,938	10,008	57,591,498	62,907,204

12.1 Murabaha

	(Un-audited) September 30, 2019	(Audited) December 31, 2018
Rupees in thousands		
- Murabaha financing	4,880,472	7,334,021
- Murabaha inventory	4,405,696	6,625,790
- Advances against Murabaha financing	275,671	3,056,316
- Advances against Murabaha financing under Islamic export refinance scheme	50,000	81,000
	9,611,839	17,097,127

12.2 Istisna

- Istisna financing	563,964	-
- Istisna inventory	380,150	594,687
- Advances against Istisna financing	1,088,901	24,244
- Istisna financing under Islamic export refinance scheme	45,248	-
- Advances against Istisna financing under Islamic export refinance scheme	553,876	1,174,947
	2,632,139	1,793,878

12.3 Ijarah

- Net book value of assets in Ijarah under IFAS 2	4,129,821	2,948,075
- Advances against Ijarah	684,733	1,321,828
	4,814,554	4,269,903

12.4 Running Musharaka

- Running Musharaka financing	18,403,660	18,285,575
- Running Musharaka financing under Islamic export refinance scheme	1,576,000	1,156,000
	19,979,660	19,441,575

12.5 Diminishing Musharaka

- Diminishing Musharaka financing	18,185,522	15,347,739
- Advances against Diminishing Musharaka financing	996,867	3,709,678
	19,182,389	19,057,417

12.6 Staff finance

- Staff vehicle finance under Diminishing Musharaka	266,586	213,215
- Staff housing finance under Diminishing Musharaka	1,089,703	1,044,831
	1,356,289	1,258,046

12.7 Particulars of Islamic financing and related assets - gross

In local currency	57,622,575	62,922,064
In foreign currency	-	-
	57,622,575	62,922,064

- 12.8** Islamic financing and related assets include Rs. 362.835 million (December 31, 2018: Rs. 10.766 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Un-audited) September 30, 2019		(Audited) December 31, 2018	
	Non-performing Islamic financing and related assets	Provision	Non-performing Islamic financing and related assets	Provision
	Rupees in thousands			
Domestic				
Other Assets Especially Mentioned	853	-	9,832	-
Substandard	3,618	765	235	59
Doubtful	357,715	483	-	-
Loss	649	649	699	699
	<u>362,835</u>	<u>1,897</u>	<u>10,766</u>	<u>758</u>

- 12.8.1** As allowed by the SBP under BSD Circular 1 of 2011, the Bank has availed benefit of forced sale value (FSV) in determining the provisioning against non-performing Islamic financing and related assets as at September 30, 2019. Had the benefit under the said circular not been taken by the bank, the specific provision against non-performing Islamic financing and related assets would have been higher by Rs.178.374 million (December 31, 2018 : Nil). The additional benefit on the Bank's statement of profit and loss arising from availing the FSV benefit - net of tax amounts to Rs 115.943 million as at September 30, 2019 (December 31, 2018: Nil). 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.

12.9 Particulars of provision against Islamic financing and related assets

Note	September 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in thousands					
Opening balance	758	14,102	14,860	729	490	1,219
Charge for the period / year	1,353	15,078	16,431	59	13,612	13,671
Reversals	(109)	-	(109)	(30)	-	(30)
	1,244	15,078	16,322	29	13,612	13,641
Amounts written off	(105)	-	(105)	-	-	-
Closing balance	<u>1,897</u>	<u>29,180</u>	<u>31,077</u>	<u>758</u>	<u>14,102</u>	<u>14,860</u>

- 12.9.1** The Bank has maintained general provision at an amount equal to 1% of the fully secured performing portfolio of consumer auto finance 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.
- 12.9.2** As required by the Prudential Regulations issued by the SBP for micro financing, the Bank has written-off a financing amounting to Rs. 0.105 million (December 31, 2018: Nil).

12.10 Particulars of provision against Islamic financing and related assets

	September 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in thousands					
In local currency	1,897	29,180	31,077	758	14,102	14,860
In foreign currency	-	-	-	-	-	-
	<u>1,897</u>	<u>29,180</u>	<u>31,077</u>	<u>758</u>	<u>14,102</u>	<u>14,860</u>

Note	(Un-audited) September 30, 2019	(Audited) December 31, 2018
	Rupees in thousands	
13 FIXED ASSETS		
Capital work-in-progress	13.1	474,370
Property and equipment		2,418,643
Right of use of assets	13.4	2,478,737
	<u>5,371,750</u>	<u>2,619,980</u>

	Note	(Un-audited) September 30, 2019	(Audited) December 31, 2018
		Rupees in thousands	
13.1 Capital work-in-progress			
Civil works		151,039	96,620
Advance to suppliers and contractors		243,950	153,267
Others		79,381	24,362
		<u>474,370</u>	<u>274,249</u>

(Un-audited)
For the period ended
September 30,
2019 2018
Rupees in thousands

13.2 Additions to fixed assets - at cost

Capital work-in-progress	200,121	220,401
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Property and equipment

Land freehold	13.2.1	1,381	1,567
Building freehold		6,971	2,021
Leasehold improvements		25,140	2,922
Furniture and fixtures		21,502	33,546
Office equipment		106,749	167,167
Computer equipment		114,611	124,246
Vehicles		-	1,287
		<u>276,354</u>	<u>332,756</u>
		<u>476,475</u>	<u>553,157</u>

13.2.1 This represents cost incurred for affecting the ownership transfer of land.

13.3 Disposal to fixed assets - at WDV

Furniture and fixtures	54	-
Office equipments	116	-
Computer equipment	171	-
	<u>341</u>	<u>-</u>

13.4 Ijarah of Musta'jir meeting the criteria prescribed by IFRS 16 "Leases" are presented as on-balance sheet item.

(Un-audited) (Audited)
September 30, December 31,
2019 2018
Rupees in thousands

14 INTANGIBLE ASSETS

Advance against purchase of software	3,680	3,680
Computer software	542,341	521,111
	<u>546,021</u>	<u>524,791</u>

(Un-audited)
For the period ended
September 30,
2019 2018
Rupees in thousands

14.1 Additions to intangible assets

Directly purchased	103,669	91,629
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15 DEFERRED TAX ASSETS / (LIABILITY) - NET

September 30, 2019 (Un-audited)			
At Jan 01, 2019	Recognised in P&L A/C	Recognised in OCI	At Sep 30, 2019
Rupees in thousands			
Deductible temporary difference			
Tax losses carried forward	806,991	134,869	-
Minimum tax	88,851	110,103	-
Deficit on revaluation of investments - net	28,025	-	1,150
Provision against Islamic financing and related assets	21	416	-
Workers welfare fund	797	-	-
	924,685	245,388	1,150
			1,171,223
Taxable temporary difference			
Surplus on revaluation of fixed assets	(25,818)	341	-
Accelerated tax depreciation	(147,802)	(1,161)	-
	(173,620)	(820)	-
	751,065	244,568	1,150
			996,783
December 31, 2018 (Audited)			
At Jan 01, 2018	Recognised in P&L A/C	Recognised in OCI	At Dec 31, 2018
Rupees in thousands			
Deductible temporary difference			
Tax losses carried forward	189,882	617,109	-
Minimum tax	31,249	57,602	-
Deficit on revaluation of investments - net	208,258	-	(180,233)
Provision against Islamic financing and related assets	-	21	-
Workers welfare fund	797	-	-
	430,186	674,732	(180,233)
			924,685
Taxable temporary difference			
Surplus on revaluation of fixed assets	(26,273)	455	-
Accelerated tax depreciation	(114,448)	(33,354)	-
	(140,721)	(32,899)	-
	289,465	641,833	(180,233)
			751,065

16 OTHER ASSETS

		(Un-audited) September 30, 2019	(Audited) December 31, 2018
		Rupees in thousands	
Profit / return accrued in local currency		2,223,787	1,058,880
Advances, deposits, advance rent and other prepayments		187,895	267,118
Advance taxation (payments less provisions)		38,055	35,888
Dividend receivable		12,033	-
Branch Adjustment account		-	-
Receivable against ATM transactions		224,722	288,577
Receivable under home remittances		13,011	13,945
Mark to market gain on forward foreign exchange contracts		-	169,697
Acceptance		2,327,646	409,429
Others		19,909	15,152
		5,047,058	2,258,686

17 CONTINGENT ASSETS

There were no contingent assets of the Bank as at September 30, 2019 (December 31, 2018: Nil).

18 BILLS PAYABLE

		(Un-audited) September 30, 2019	(Audited) December 31, 2018
		Rupees in thousands	
In Pakistan		1,099,706	1,303,992
Outside Pakistan		-	-
		1,099,706	1,303,992

	Note	(Un-audited) September 30, 2019	(Audited) December 31, 2018
19 DUE TO FINANCIAL INSTITUTIONS		Rupees in thousands	
In Pakistan		8,742,853	7,718,759
Outside Pakistan		-	81,869
		<u>8,742,853</u>	<u>7,800,628</u>
19.1 Particulars of due to financial institutions with respect to currencies			
In local currency		8,742,853	7,718,759
In foreign currencies		-	81,869
		<u>8,742,853</u>	<u>7,800,628</u>
19.2 Details of due to financial institutions - Secured / Unsecured			
Secured			
Musharaka with the State Bank of Pakistan under Islamic Export Refinance Scheme	19.2.1	1,812,000	1,987,408
Unsecured			
Musharaka arrangements with other financial institutions	19.2.2	6,880,853	5,731,351
Musharaka arrangements with other institution	19.2.3	50,000	-
Overdrawn nostro		-	81,869
		<u>8,742,853</u>	<u>7,800,628</u>

19.2.1 These Musharaka arrangements are on a profit and loss sharing basis maturing between November 04, 2019 to March 24, 2020 (December 31, 2018: February 24, 2019 to June 26, 2019) and are secured against demand promissory notes executed in favour of the SBP. A limit of Rs. 2,700 million has been allocated to the Bank by SBP under Islamic Export Refinance Scheme.

19.2.2 This represents Musharaka arrangements with banks carrying profit at expected rates ranging from 9.0% to 13.75% per annum (December 31, 2018: 9.4% to 9.8% per annum) and having maturity till January 15, 2020.

19.2.3 This represents Musharaka arrangement with Karandaaz on profit and loss sharing basis. A limit of 500 million has been allocated to the Bank under the agreement.

20 DEPOSITS AND OTHER ACCOUNTS

	September 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In Local currency	In Foreign currencies	Total	In Local currency	In Foreign currencies	Total
	Rupees in thousands					
Customers						
Current deposits	19,662,156	2,478,126	22,140,282	20,498,978	1,599,388	22,098,366
Savings deposits	33,833,778	2,738,761	36,572,539	29,634,547	1,705,967	31,340,514
Term deposits	8,963,853	152,018	9,115,871	5,040,187	104,191	5,144,378
Others	3,011,852	-	3,011,852	3,690,026	-	3,690,026
	<u>65,471,639</u>	<u>5,368,905</u>	<u>70,840,544</u>	<u>58,863,738</u>	<u>3,409,546</u>	<u>62,273,284</u>
Financial Institutions						
Current deposits	65,895	1,352	67,247	73,166	1,206	74,372
Savings deposits	6,440,406	1,540	6,441,946	5,885,028	-	5,885,028
Term deposits	3,783,900	-	3,783,900	5,074,501	-	5,074,501
	<u>10,290,201</u>	<u>2,892</u>	<u>10,293,093</u>	<u>11,032,695</u>	<u>1,206</u>	<u>11,033,901</u>
	<u>75,761,840</u>	<u>5,371,797</u>	<u>81,133,637</u>	<u>69,896,433</u>	<u>3,410,752</u>	<u>73,307,185</u>

	Note	(Un-audited) September 30, 2019	(Audited) December 31, 2018
21 OTHER LIABILITIES		Rupees in thousands	
Profit / return payable in local currency	21.1	670,409	390,714
Profit / return payable in foreign currencies		3,662	4,679
Accrued expenses		310,263	324,388
Income received in advance		47,808	30,365
Acceptance		2,327,646	409,429
Branch adjustment account		93,711	160,384
Payable under inter-bank fund transfer		42,802	71,960
Advance receipt against Islamic financing and related assets		6,403	3,319
Charity fund balance		37,958	25,402
Security deposits against Ijarah financing		1,004,452	812,429
Retention money payable		-	17,780
Payable under purchase of securities		-	14,910
Withholding tax, Federal excise duty and other payable		7,846	7,778
Mark to market loss on forward foreign exchange contracts		9,999	-
Liability against ROU asset	21.2	2,532,712	-
Others		138,150	108,894
		<u>7,233,821</u>	<u>2,382,431</u>

21.1 It includes Rs. 9.961 million (December 31, 2018: Rs. 8.916 million) in respect of profit / return payable on Musharaka with the SBP under Islamic Export Refinance Scheme.

21.2 Ijarah of Musta'jir meeting the criteria prescribed by IFRS 16 "Leases" are presented as on-balance sheet item.

22 SHARE CAPITAL

Authorized Capital

(Un-audited) September 30, 2019	(Audited) December 31, 2018		(Un-audited) September 30, 2019	(Audited) December 31, 2018
Numbers 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) September 30, 2019	(Audited) December 31, 2018			
Numbers of shares				
		Fully paid in cash		
1,120,000,000	1,000,000,000	Balance at beginning of the period / year	11,200,000	10,000,000
-	120,000,000	Issued during the period / year - right shares	-	1,200,000
1,120,000,000	1,120,000,000	Balance at end of the period / year	11,200,000	11,200,000

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

23 RESERVES

23.1 Statutory reserve represents amount set aside as per the requirements of section 21 of the Banking Companies Ordinance, 1962.

	Note	(Un-audited) September 30, 2019	(Audited) December 31, 2018
		Rupees in thousands	
24 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS			
Surplus / (deficit) on revaluation of			
- Available for sale securities		(83,357)	(80,072)
- Fixed Assets		209,163	210,137
		125,806	130,065
Deferred tax on surplus / (deficit) on revaluation of:			
- Available for sale securities		29,175	28,025
- Fixed Assets		(25,477)	(25,818)
		3,698	2,207
		129,504	132,272
25 CONTINGENCIES AND COMMITMENTS			
Guarantees	25.1	5,099,081	3,092,537
Commitments	25.2	8,069,554	16,137,900
Other contingent liabilities	25.3	430,320	425,820
		13,598,955	19,656,257
25.1 Guarantees:			
Performance guarantees		1,979,287	1,099,947
Other guarantees		3,119,794	1,992,590
		5,099,081	3,092,537

	Note	(Un-audited) September 30, 2019	(Audited) December 31, 2018
Rupees in thousands			
25.2 Commitments:			
Documentary credits and short-term trade-related transactions			
Letters of credit		5,491,679	11,639,176
Commitments in respect of:			
Forward foreign exchange contracts	25.2.1	1,520,315	2,237,365
Commitments for acquisition of:			
Fixed assets		6,727	10,395
Intangible assets		14,302	29,647
Other commitments	25.2.2	1,036,531	2,221,317
		<u>8,069,554</u>	<u>16,137,900</u>
25.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		1,924,226	3,465,359
Sale		403,911	1,227,994
		<u>1,520,315</u>	<u>2,237,365</u>

25.2.2 Other Commitments			
Commitments to extend credit	25.2.2.1	<u>1,036,531</u>	<u>2,221,317</u>
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.			

	Note	(Un-audited) September 30, 2019	(Audited) December 31, 2018
Rupees in thousands			
25.3 Other contingent liabilities			
Claim against the Bank not acknowledged as debt	25.3.1	<u>430,320</u>	<u>425,820</u>
25.3.1 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 a customer against the bank amounting to Rs.4.5 million which is pending before the court.

	Note	Quarter ended September 30, 2019	Period ended September 30, 2019	Quarter ended September 30, 2018	Period ended September 30, 2018
Rupees in thousands					
26 PROFIT / RETURN EARNED					
Financings		2,111,411	5,461,889	882,922	2,095,590
Investments in					
- available for sale securities		388,290	979,659	156,436	398,749
- held to maturity securities		113,769	287,331	18,502	54,792
		502,059	1,266,990	174,938	453,541
Musharaka arrangements					
with financial institutions		123,985	350,316	18,671	71,247
Deposits with financial institutions		48,035	74,912	5,214	39,524
		<u>2,785,490</u>	<u>7,154,107</u>	<u>1,081,745</u>	<u>2,659,902</u>
27 PROFIT / RETURN EXPENSED					
Deposits and other accounts		1,423,737	3,556,997	427,778	998,574
Musharaka arrangements with the State Bank of Pakistan under IERS		11,009	35,543	6,183	16,938
Musharaka arrangements with other financial institutions		58,587	369,934	153,684	482,610
Musharaka arrangements with other institution		2,789	4,853	-	-
Unwinding of liability against ROU asset	27.1	69,344	232,885	-	-
		<u>1,565,466</u>	<u>4,200,212</u>	<u>587,645</u>	<u>1,498,122</u>
27.1 Ijarah of Musta'jir meeting the criteria prescribed by IFRS 16 "Leases" are presented as on-balance sheet item.					

		(Un-audited)				
	Note	Quarter ended September 30, 2019	Period ended September 30, 2019	Quarter ended September 30, 2018	Period ended September 30, 2018	
Rupees in thousands						
28	FEE & COMMISSION INCOME					
	Branch banking customer fees	3,013	9,369	2,724	5,297	
	Consumer finance related fees	4,100	14,767	2,187	4,050	
	Card related fees	18,320	50,856	9,472	19,156	
	Digital banking fees	1,201	4,443	1,259	1,302	
	Commission on trade	16,418	54,959	12,479	33,850	
	Commission on guarantees	6,754	15,650	4,069	11,741	
	Commission on remittances including home remittances	2,068	5,665	304	1,125	
	Commission on banca takaful	12,982	48,959	6,121	12,998	
	Others	52	1,392	1,419	3,708	
		<u>64,908</u>	<u>206,060</u>	<u>40,034</u>	<u>93,227</u>	
29	GAIN / (LOSS) ON SECURITIES - NET					
	Realised	29.1	(69,986)	(113,063)	2,128	17,796
29.1	Realised gain / (loss) on:					
	Federal Government Securities - Sukuk certificates		(69,986)	(78,014)	-	-
	Shares		-	(35,049)	2,128	17,796
			<u>(69,986)</u>	<u>(113,063)</u>	<u>2,128</u>	<u>17,796</u>
30	OTHER INCOME					
	Rental income	2,376	7,128	2,160	6,480	
	Locker rent	2,381	6,917	1,050	1,736	
	Gain on sale of Fixed Assets	41	98	-	-	
	Fees and charges recovered	187	301	36	146	
		<u>4,985</u>	<u>14,444</u>	<u>3,246</u>	<u>8,362</u>	
31	OPERATING EXPENSES					
	Total compensation expense	506,433	1,550,936	387,910	888,057	
	Property expense					
	Rent & taxes	48,188	105,168	135,927	263,789	
	Takaful expenses	7,553	26,707	18,542	36,227	
	Utilities cost	32,061	93,120	38,829	65,956	
	Security (including guards)	47,406	145,540	42,916	91,827	
	Repair & maintenance (including janitorial charges)	31,806	88,406	22,016	43,755	
	Depreciation on right-of-use assets	96,126	293,445	-	-	
	Depreciation	37,738	107,877	29,051	76,714	
		<u>300,878</u>	<u>860,263</u>	<u>287,281</u>	<u>578,268</u>	
	Information technology expenses					
	Software maintenance	27,760	69,185	16,946	43,484	
	Hardware maintenance	17,296	55,563	1,799	19,418	
	Takaful expenses	500	1,505	663	1,391	
	Depreciation	30,034	87,008	26,172	71,179	
	Amortisation	27,991	82,438	22,545	63,970	
	Network charges	22,495	83,247	17,020	57,426	
		<u>126,076</u>	<u>378,946</u>	<u>85,145</u>	<u>256,868</u>	
	Other operating expenses					
	Directors' fees and allowances	130	530	290	640	
	Remuneration to Shariah Board members	2,012	6,136	3,581	7,322	
	Legal & professional charges	8,561	27,154	7,491	24,867	
	Takaful expenses	19,006	51,541	9,282	9,866	
	Fee and subscription	400	674	483	2,016	
	Outsourced services costs	51,723	159,879	41,353	101,218	
	balances c/f	<u>81,832</u>	<u>245,914</u>	<u>62,480</u>	<u>145,929</u>	

..... (continue)

(Un-audited)				
	Quarter ended September 30, 2019	Period ended September 30, 2019	Quarter ended September 30, 2018	Period ended September 30, 2018
Rupees in thousands				
Other operating expenses				
balances b/f	81,832	245,914	62,480	145,929
Travelling & conveyance	11,221	56,239	18,794	46,654
Repair & maintenance vehicles	272	834	218	850
NIFT clearing charges	3,176	12,372	5,301	12,112
Brokerage, commission and bank charges	3,112	9,302	2,567	5,651
Depreciation	2,739	8,217	1,201	3,570
Training & development	2,477	9,921	3,255	7,949
Postage & courier charges	12,369	34,843	16,790	31,968
Communication	2,060	7,164	2,237	5,431
Stationery & printing	17,517	42,914	15,388	33,185
Marketing, advertisement & publicity	-	36,224	37,146	60,178
Auditors remuneration	2,628	7,485	3,374	8,733
Entertainment	9,159	28,262	8,527	19,357
Others	9,835	21,835	4,416	13,353
	158,397	521,526	181,694	394,920
	1,091,784	3,311,671	942,030	2,118,113

31.1 Ijarah of Mustajir meeting the criteria prescribed by IFRS 16 "Leases" are presented as on-balance sheet item.

		(Un-audited)			
	Note	Quarter ended September 30, 2019	Period ended September 30, 2019	Quarter ended September 30, 2018	Period ended September 30, 2018
Rupees in thousands					
32 OTHER CHARGES					
Penalties imposed by the State Bank of Pakistan		24,116	24,141	3,181	3,181
Loss on sale of fixed assets - net		8	83	-	-
		<u>24,124</u>	<u>24,224</u>	<u>3,181</u>	<u>3,181</u>
33 PROVISIONS & WRITE OFFS - NET					
Provision for diminution in the value of investments	11.2	58,875	196,158	240,129	487,669
Provision against Islamic financings and related assets	12.9	3,936	16,322	1,761	7,430
Other write offs		-	-	5	102
		<u>62,811</u>	<u>212,480</u>	<u>241,895</u>	<u>495,201</u>
34 TAXATION					
Current		41,415	110,103	(14,345)	(36,500)
Deferred		(27,093)	(244,568)	231,966	451,256
		<u>14,322</u>	<u>(134,465)</u>	<u>217,621</u>	<u>414,756</u>
35 BASIC AND DILUTED LOSS PER SHARE - AFTER TAX					
Loss after taxation		<u>2,445</u>	<u>(273,923)</u>	<u>(409,489)</u>	<u>(779,846)</u>
Number of shares - in thousand					
Weighted average number of ordinary shares		<u>1,120,000</u>	<u>1,120,000</u>	<u>1,120,000</u>	<u>1,120,000</u>
Rupee					
Basic / diluted loss per share - after tax		<u>0.002</u>	<u>(0.245)</u>	<u>(0.366)</u>	<u>(0.696)</u>

	Note	(Un-Audited) September 30,	
		2019	2018
36 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	8	8,607,384	6,565,395
Balances with other banks	9	4,518,399	439,045
		<u>13,125,783</u>	<u>7,004,440</u>

37 FAIR VALUE OF FINANCIAL INSTRUMENTS

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 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 unquoted securities, placements, Islamic financing and related assets, other assets, other liabilities, fixed term deposits and acceptances 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.

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.

September 30, 2019 (Un-audited)				
Fair Value				
Level 1	Level 2	Level 3	Total	
Rupees in thousands				
On-balance sheet financial instruments				
Financial assets measured at fair value				
Available for sale securities				
Investments				
Federal Government Securities	-	10,889,925	-	10,889,925
Shares	911,222	-	-	911,222
Non-Government Securities	-	1,218,442	-	1,218,442
	911,222	12,108,367	-	13,019,589
Financial assets - disclosed but not measured at fair value				
Investments				
Non-Government Securities	-	639,065	-	639,065
Off-balance sheet financial instruments				
Foreign exchange contracts purchase	-	1,905,694	-	1,905,694
Foreign exchange contracts sale	-	395,871	-	395,871
Fair value of non-financial				
Operating fixed assets (land and buildings)	-	1,010,796	-	1,010,796

December 31, 2018 (Audited)

Fair Value

Level 1	Level 2	Level 3	Total
Rupees in thousands			

On-balance sheet financial instruments

Financial assets measured at fair value

Available for sale securities

Investments

Federal Government Securities

Shares

Non-Government Securities

-	8,410,917	-	8,410,917
906,352	-	-	906,352
-	848,416	-	848,416
906,352	9,259,333	-	10,165,685

Financial assets - disclosed but not measured at fair value

Investments

Non-Government Securities

-	814,422	-	814,422
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Off-balance sheet financial instruments

Foreign exchange contracts purchase

Foreign exchange contracts sale

-	3,678,688	-	3,678,688
-	1,271,642	-	1,271,642

Fair value of non-financial

Operating fixed assets (land and buildings)

-	1,012,126	-	1,012,126
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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 year.

(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 Sukuks 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 Sukuks (GOP Ijarah Sukuks and other Ijarah Sukuks)	Fair values of GoP Ijarah Sukuks and other Ijarah Sukuks are derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters. These rates denote an average of quotes received from eight different pre-defined / approved dealers / brokers.
Foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by the State Bank of Pakistan.
Operating fixed assets (land and building)	Land and buildings are revalued every three years using professional valuers on the panel of Pakistan Banker's Association. The valuation is based on their assessment of market value of the properties.

38 SEGMENT INFORMATION

38.1 Segment Details with respect to Business Activities

September 30, 2019 (Un-audited)

	Business Distribution	Corporate	Consumer	Micro Finance	Treasury	Head Office	Total
September 30, 2019 (in lakhs)							
Profit and Loss	Rupees in thousands						
Net spread earned	(3,368,472)	4,829,390	226,781	36,146	1,195,702	34,348	2,953,895
Inter segment revenue - net	5,494,041	(4,421,981)	(173,113)	(11,161)	(1,284,813)	397,027	-
Other income	165,330	33,061	9,140	5,628	(34,410)	7,343	186,092
Total Income	2,290,899	440,470	62,808	30,613	(123,521)	438,718	3,139,987
Segment direct expenses	(1,623,879)	(72,632)	(75,743)	(35,971)	(14,713)	(1,512,957)	(3,335,895)
Inter segment expense allocation	(489,805)	(6,423)	(5,587)	(2,679)	(1,671)	506,165	-
Total expenses	(2,113,684)	(79,055)	(81,330)	(38,650)	(16,384)	(1,006,792)	(3,335,895)
Provisions / write off	50	-	(14,563)	(2,089)	(196,158)	280	(212,480)
Profit / (loss) before tax	177,265	361,415	(33,085)	(10,126)	(336,063)	(567,794)	(408,388)
Balance Sheet							
Cash and bank balances	3,753,140	-	-	-	9,372,643	-	13,125,783
Investments	-	882,500	-	-	15,470,416	-	16,352,916
Net inter segment placements	74,312,493	-	-	-	-	4,062,222	78,374,715
Due from financial institutions	-	-	-	-	8,971,664	-	8,971,664
Financing - performing	4,718,788	47,774,671	3,183,546	196,294	-	1,356,217	57,229,516
- non-performing	649	356,748	2,815	1,770	-	-	361,982
Others	2,975,580	3,386,316	152,384	5,390	619,762	4,739,521	11,878,953
Total Assets	85,760,650	52,400,235	3,338,745	203,454	34,434,485	10,157,960	186,295,529
Bills payable	1,099,706	-	-	-	-	-	1,099,706
Due to financial institutions	325,016	1,536,984	-	-	6,880,853	-	8,742,853
Deposits & other accounts	80,780,729	352,908	-	-	-	-	81,133,637
Net inter segment acceptances	-	47,389,826	2,850,875	212,804	27,921,210	-	78,374,715
Others	3,377,934	2,759,102	520,955	776	22,666	469,729	7,151,162
Total liabilities	85,583,385	52,038,820	3,371,830	213,580	34,824,729	469,729	176,502,073
Equity	177,265	361,415	(33,085)	(10,126)	(390,244)	9,688,231	9,793,456
Total Equity & liabilities	85,760,650	52,400,235	3,338,745	203,454	34,434,485	10,157,960	186,295,529
Contingencies & Commitments	3,561,755	8,065,536	-	-	1,520,315	451,349	13,598,955

September 30, 2018 (Un-audited)

	Business Distribution	Corporate	Consumer	Micro Finance	Treasury	Head Office	Total
	Rupees in thousands						
Profit & Loss							
Net spread earned	(971,582)	2,027,677	4,949	4,211	80,114	16,411	1,161,780
Inter segment revenue - net	1,812,714	(1,979,176)	(20,449)	(1,105)	(158,936)	346,952	-
Other income	78,126	30,773	3,003	1,318	139,535	7,358	260,113
Total Income	919,258	79,274	(12,497)	4,424	60,713	370,721	1,421,893
Segment direct expenses	(1,023,240)	(66,849)	(31,271)	(9,559)	(13,574)	(976,802)	(2,121,294)
Inter segment expense allocation	(328,969)	(3,514)	(10,724)	(2,449)	(1,292)	346,949	-
Total expenses	(1,352,209)	(70,363)	(41,995)	(12,008)	(14,866)	(629,853)	(2,121,294)
Reversal of provisions / (write off)	-	-	-	-	-	(495,201)	(495,201)
Profit / (loss) before tax	(432,951)	8,911	(54,492)	(7,584)	45,847	(754,333)	(1,194,602)

December 31, 2018 (Audited)

Business Distribution	Corporate	Consumer	Micro Finance	Treasury	Head Office	Total
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Rupees in thousands

Balance Sheet

Cash & Bank balances	3,352,342	-	-	-	5,060,728	-	8,413,070
Investments	-	1,545,000	-	-	11,168,954	-	12,713,954
Net inter segment placements	67,008,132	-	-	-	-	6,162,432	73,170,564
Due from financial institutions	-	-	-	-	4,675,000	-	4,675,000
Financing - performing	4,406,883	55,495,912	1,657,100	67,342	-	1,269,201	62,896,438
- non-performing	-	-	10,705	61	-	-	10,766
Others	469,512	841,954	32,241	2,256	313,583	4,494,976	6,154,522
Total Assets	75,236,869	57,882,866	1,700,046	69,659	21,218,265	11,926,609	168,034,314
Bills payable	1,303,992	-	-	-	-	-	1,303,992
Due to financial institutions	150,019	1,837,389	-	-	5,813,220	-	7,800,628
Deposits & other accounts	72,888,033	419,152	-	-	-	-	73,307,185
Net inter segment acceptances	-	55,227,525	1,629,752	83,674	16,229,613	-	73,170,564
Others	1,382,024	266,871	170,496	85	52,687	510,268	2,382,431
Total liabilities	75,724,068	57,750,937	1,800,248	83,759	22,095,520	510,268	157,964,800
Equity	(487,199)	131,929	(100,202)	(14,100)	(877,255)	11,416,341	10,069,514
Total Equity & liabilities	75,236,869	57,882,866	1,700,046	69,659	21,218,265	11,926,609	168,034,314
Contingencies & Commitments	3,293,150	11,388,563	-	-	4,508,682	465,862	19,656,257

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 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)

	September 30, 2019				December 31, 2018			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
	Rs. In thousands				Rs. In thousands			
Balances with other banks								
In current accounts	8,360	-	-	-	7,928	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-
	8,360	-	-	-	7,928	-	-	-
Islamic financing and related assets								
Opening balance	-	12,263	92,318	490,514	-	13,103	83,778	314,132
Addition during the period / year	-	-	8,236	1,809,235	-	-	39,988	1,258,648
Repaid during the period / year	-	(12,263)	(12,680)	(1,773,635)	-	(840)	(15,223)	(1,082,266)
Transfer in / (out) - net	-	-	-	-	-	-	(16,225)	-
Closing balance	-	-	87,874	526,114	-	12,263	92,318	490,514
Operating fixed assets								
Capital work in progress								
Advance paid against purchase of property	20,000	-	-	-	20,000	-	-	-
Other assets								
Profit receivable	-	-	2,176	15,850	-	-	1,630	4,374
Commission receivable	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	11,413	-	-	-	21,869
Receivable under demerger	-	-	-	-	-	-	-	-
Receivable under home remittance	13,011	-	-	-	13,945	-	-	-
Receivable under ATM transactions	-	-	-	10	-	-	-	66,557
Other receivable	-	-	1,164	-	-	-	150	-
	13,011	-	3,340	27,273	20,248	-	1,780	92,800
Due to financial institutions								
Opening balance	631,351	-	-	-	524,590	-	-	-
Addition during the period / year	22,355,349	-	-	-	40,942,611	-	-	-
Repaid during the period / year	(22,105,847)	-	-	-	(40,835,850)	-	-	-
Closing balance	880,853	-	-	-	631,351	-	-	-
Deposits								
Opening balance	-	5,488	21,626	389,094	-	628	53,386	379,888
Addition during the year	-	61,000	154,949	10,339,008	-	46,565	196,910	8,756,755
Withdrawn during the period / year	-	(19,342)	(148,376)	(10,037,745)	-	(41,705)	(228,632)	(8,590,528)
Transfer in / (out) - net	-	(7,300)	(2,426)	204,583	-	-	(38)	(157,021)
Closing balance	-	39,846	25,773	894,940	-	5,488	21,626	389,094
Other Liabilities								
Profit payable	6,950	-	-	2,405	12,143	-	-	1,411
Accrued expenses	-	-	-	3,331	3,056	-	-	9,421
PF contribution payable	-	-	-	-	-	-	-	-
Other liabilities	-	96	21	1,741	2,305	110	55	1,169
	6,950	96	21	7,477	17,504	110	55	12,001
Contingencies and Commitments								
Letter of Credit	-	-	-	365,549	-	-	-	663,838
Letter of Guarantee	-	-	-	877,784	-	-	-	790,886
Commitment to extend credit	-	-	-	11,605	-	-	-	25,040
Forward exchange contract								
Purchase	1,924,226	-	-	-	1,516,079	-	-	-
Sale	73,592	-	-	-	605,589	-	-	-
Unrealized gain on forward exchange contract - net	(16,264)	-	-	-	10,196	-	-	-
	September 30, 2019				September 30, 2018			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
	Rs. In thousands				Rs. In thousands			
Transactions during the year								
Income								
Profit return earned	-	94	2,998	49,924	-	335	2,627	21,180
Commission earned	-	-	-	16,491	-	-	-	15,725
Rental income	7,128	-	-	-	6,480	-	-	-
Other income	-	-	-	27	-	-	-	-
	7,128	94	3,025	66,415	6,480	335	2,627	36,905
Expense								
Profit return expensed	156,247	364	171	15,102	114,696	-	591	3,707
Rental expense	25,751	-	-	-	19,117	-	-	-
Takaful expense	-	-	-	57,876	-	-	-	63,386
Security expense	-	-	-	40,173	-	-	-	33,992
Other expense	90	530	-	369	90	640	-	21
	182,088	894	171	113,520	133,903	640	591	101,106
Other transactions during the period								
Fee paid	-	640	-	-	-	350	-	-
Managerial remuneration including bonus paid	-	42,903	145,401	-	-	31,291	114,613	-
Contribution paid to provident fund	-	-	-	83,055	-	-	-	57,927
Re-imbursement - Home remittance payments	2,210,639	-	-	-	1,059,372	-	-	-
Proceeds under demerger scheme	-	-	-	-	22,214,180	-	-	-
Proceeds from issue of Share Capital	-	-	-	-	1,200,000	-	-	-
Proceeds from sale of fixed assets	-	-	120	-	-	-	-	-
Disbursement made against advance salary	-	-	1,800	-	-	-	1,085	-
Repayment made against advance salary	-	-	786	-	-	-	2,295	-
Payment made against expenses	16,618	-	-	84,118	270	-	-	69,492
Foreign currency purchase	21,679,326	-	-	-	13,125,550	-	-	-
Foreign currency sale	14,852,832	-	-	-	8,126,420	-	-	-
Letter of Credit issued	-	-	-	924,893	-	-	-	1,816,267
Letter of Guarantee issued	-	-	-	296,452	-	-	-	109,287

(Un-audited)	(Audited)
September 30,	December 31,
2019	2018
Rupees in thousands	

40 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)	9,663,952	9,937,242
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	7,977,117	8,516,609
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	7,977,117	8,516,609
Eligible Tier 2 Capital	158,684	146,374
Total Eligible Capital (Tier 1 + Tier 2)	8,135,801	8,662,983

Risk Weighted Assets (RWAs):

Credit Risk	54,032,441	58,995,689
Market Risk	3,175,699	3,325,247
Operational Risk	2,864,988	2,864,988
Total	60,073,128	65,185,924

Common Equity Tier 1 Capital Adequacy ratio	13.28%	13.07%
Tier 1 Capital Adequacy Ratio	13.28%	13.07%
Total Capital Adequacy Ratio	13.54%	13.29%

Leverage Ratio (LR):

Eligible Tier-1 Capital	7,977,117	8,516,609
Total Exposures	123,046,787	112,806,919
Leverage Ratio	6.48%	7.55%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	20,162,905	16,245,706
Total Net Cash Outflow	18,893,113	14,292,812
Liquidity Coverage Ratio	106.72%	113.66%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	67,356,970	65,452,794
Total Required Stable Funding	42,703,852	42,777,651
Net Stable Funding Ratio	157.73%	153.01%

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 October 16, 2019 by the Board of Directors of the Bank.

SYED IFTIKHAR HUSSAIN RIZVI
CHIEF FINANCIAL OFFICER

MUHTASHIM AHMAD ASHAI
PRESIDENT / CEO

RAZA MANSHA
CHAIRMAN

OMAIR SAFDAR
DIRECTOR

DR. KHALID ZAHEER
DIRECTOR

BRANCH NETWORK

Br.Code	Name of Branch	Address	City	Contact No.
001	Sharah-e-Faisal Branch	Ground Floor, Nice Trade Orbit, Main Sharah-e-Faisal Nursery, Karachi.	Karachi	021-34328469
002	Liberty Market Branch	9-C, Commercial Liberty Market, Lahore.	Lahore	042-35789830
003	Shah Rukn e Alam Branch	17-F Chowk Shah Rukn e Alam Colony, Multan.	Multan	061-4516460
004	Thandi Sarak Branch	Ground Floor, Shop No.6 &7, River View Apartments, Thandi Sarak,Hyderabad.	Hyderabad	022-2785486
005	Peoples Colony Branch	668-1, Block A, Peoples Colony No.1,Faisalabad.	Faisalabad	041-8556601
006	Jinnah Avenue Branch	52 East, Dodhy Plaza, Jinnah Avenue Islamabad.	Islamabad	051-2801272
007	Rashid Minhas Road Branch	Plot# LM-10, Block-10-A, Near Pizza Hut, main Rashid Minhas Road,Karachi.	Karachi	021-34817649
008	DHA Z Block Branch	339-Z (Commercial) Ground Floor, Phase III, Defence Housing Authority, Lahore.	Lahore	042-35692901
009	Bank Road Branch	Shahbaz Plaza, Bank Road, Saddar, Rawalpindi.	Rawalpindi	051-5525434
010	Sadar Road Branch	Arbab Road, The Mall,Peshawar,Peshawar.	Peshawar	091-5272414
011	M. A Jinnah Road Branch	Khasra 418-42,420-43,424-54 M.A Jinnah Road, Quetta	Quetta	081-2824977
012	Shah Alam Market Branch	12-13-6 Block-A, Shah Alam Market,Lahore.	Lahore	042-37667813
013	Khayaban-e-Shamsheer Branch	Plot No. 10 C, Showroom No. 101, Khayabane-Shamsheer, Phase V DHA,Karachi.	Karachi	021-35248771-76
014	New Challi Branch	Shop No G-2, Muhammadi Trade tower, Altaf Hussani road, New Challi, Karachi	Karachi	021-32402166
015	S.I.T.E Branch	C 18-A, East Avenue, S.I.T.E,Karachi.	Karachi	021-3255191-95
016	Sharifpora Branch	Sharifpora Chowk G.T Road Gujranwala	Gujranwala	055-3251916-17
017	Shahi Road Branch	Shahi Road, Firdos Market, New Punjab Sweets, Rahim Yar Khan.	Rahim Yar Khan	068-5876049
018	Club Road Branch	73, Club Road, Civil Line, Sargodha.	Sargodha	048-3768633-34
019	F-10 Markaz Branch	Plot No 1-G, F-10 Markaz, Double Road,Islamabad.	Islamabad	051-2114301-04
020	Quaidabad Branch	Plot # 11, Khatooni #1403,Khewet # 862, Quaidabad -District Khushab.	Quaidabad	0454-880601
021	Allama Iqbal Town Branch	132 Jahanzaib Block, Main Boulevard, Allama Iqbal Town, Lahore.	Lahore	042-37813687
022	Bunder Road Branch	Shop/ Plot/ Khasra/ Khatooni/ Khewat # Plot # B-1623, Bunder Road, Sukkur.	Sukkur	071-5615132-33
023	Khalid-Bin-Waleed Road Branch	Show Room No.9-11, Plot No.167-A, Block-3, Khalid Bin Waleed Road,Karachi.	Karachi	021-34323051
024	Johar Town Branch	87-E, Madina Heights, Maulana Shaukat Ali Road, Johar Town,Lahore.	Lahore	042-35222677
025	Tando Allah Yar Branch	Plot No.1, Survey No. 272-1 Deh Taluka Hyderabad Road Tehsil & District Tando Allah Yar,Tando Allah Yar.	Tando Allahyar	022-3891467-68
028	Farid Town Branch	Plot # 23, Khewat # 7854, Khatooni # 7907, Khasra No. 776-23-j, Farid Town, Sahiwal, Tehsil & District Sahiwal,Sahiwal.	Sahiwal	040-4270713-16

Br.Code	Name of Branch	Address	City	Contact No.
029	Bhimber Road Branch	Khewat # 143, Khatooni # 341, Bhimber Road, Gujrat, Tehsil & District Gujrat, Gujrat.	Gujrat	053-3601781-83
030	Lahore Road Branch	Property # 4584, Khan colony, Lahore Road Sheikhupura, Tehsil & District Sheikhupura, Sheikhupura.	Sheikhupura	056-3501271
032	Korangi Industrial Area Branch	Plot # 1-A, Sector 23, Korangi Industrial Area, Karachi.	Karachi	051-4571861-65
033	North Nazimabad Branch	Shop # 1 & 2 Jasmine Heights Plot # SC-21-A Block H North Nazimabad, Karachi.	Karachi	021-35122311-13
034	Saddar Bazar Branch	Qasr-e-Fatima 90-1-2, Main Saddar Bazar, Hyderabad.	Hyderabad	021-36641761-2
035	Main Gulberg Branch	58 Main Boulevard Gulberg Lahore	Lahore	022-2731545-46
036	Dhorajee Branch	Shop No 3 & 4 Selani Centre, Plot # 442, Kathiawar Cooperative Housing Society ,Dhorajee, Karachi	Karachi	042-35777788
037	FB Industrial Area Branch	Sector no 22, KDA Scheme16, FB Industrial Area Karachi	Karachi	021-34940153-157
038	Chaman Branch	Taj Road Chaman	Chaman	0332-3538175
039	Loralai Branch	Shop # 372, House # 425, Tehsil Road Loralai Balochistan	Loralai	0826-615429-30
040	Timergara Branch	Zeb plaza main balambat Road Timergara District lower dir	Timargara	082-4660400
041	MINGORA Branch	Opposite Bank Square Main Bazar Mingora Swat.	Mingora	0945-825571-3
042	Mardan Branch	RS Plaza Shamsi Road, Tehsil and District Mardan.	Mardan	0946-725374
043	Garden Town Branch	Shop No 12, 13, 14, Shan Arcade, Civic Centre, Garden Town, Lahore.	Lahore	0937-870751-53
044	Cavalry Ground Branch	Plot No 7, Cavalry Ground Commercial Area, Walton Lahore Cantt	Lahore	042-35941840-41
045	Pishin Branch	Shop No. 630-634-640, Band Road, Pishin.	Pishin	042-36672180-4
046	Matta Branch	Khatooni No. 28-50, Khasra No.2309, Mehran Khan Plaza, Main Matta Khareri, Matta Swat.	Matta	0826-420875, 0826-420905
047	Toba Tek Sing Branch	Plot No. 359, Mall Godam Road, Toba Tek Singh.	Toba Tek Singh	0946-790612-15
048	Hazara Town Branch	Khasra No.1102-1041-874-531-1016-250, Lilak Shopping Centre, Barma Road, Ali Abad, Hazar Town, Quetta.	Quetta	046-2517327, 046-2515427
049	Gwadar Branch	Khasra No. 96-494-495-497-498-499-501, Airport Road, Gawadar.	Gawadar	0812-853127-28
050	Dream Garden Branch	Shop No.08 & 09, Block C, Dream Garden Housing Society, 1.5 KM Defence Road, Off Raiwind Road, Lahore.	Lahore	0864-210290-4
051	Kabal Branch	Khasra No. 2262, Khata No. 901, Khatooni No. 1176, Hassan Plaza, Kabal Chowk, Kabal, District Swat	Kabal	042-35469652
052	Sirki Road Branch	Khata-2 & Plot No. 136-14-32, Akram Plaza, Sirki Road, Quetta	Quetta	0946-755593-94
053	Batkheela Branch	Shop No. 1 to 6, Pak Haider Market, next to Malakand CNG, Batkhela District Malakand	Batkheela	081-2452931-3
054	G-11 Markaz Branch	Shop No. 7,8,25,26, Plot No. 33, G11 Markaz, Islamabad	Islamabad	093-2410670-2
055	Chaklala Scheme Branch	Plot No. 16, Commercial Area, Chaklala Scheme III. Rawalpindi Cantt.	Rawalpindi	054-2361302
056	Nawan Shaher Branch	Plot No. 741-F, Ward No.9, Muslim Mouza Ismail, Chowk Nawan Shehar, Multan.	Multan	051-5766233,35

Br.Code	Name of Branch	Address	City	Contact No.
057	Gulshan e Iqbal Branch	Shop No. 1&2, Al- Sammad Tower 13- Gulshan-e-Iqbal, Main University Road, Karachi.	Karachi	061-4573031-9
058	Latifabad Branch	Shop No. 1, 2 & 3, United Plaza, Opposite American Hospital, Main Road, Unit # 7, Taluka Latifabad, District Hyderabad Sindh.	Hyderabad	021-34971515
059	Tando Adam Branch	Plot #. 543-9 Hyderabad Road, Tando Adam.	Badin	022-3821861-5
060	Nawab Shah Branch	Plot No. 80, Masjid Road Nawab Shah.	Nawab Shah	023-5571261-2
061	Larkana Branch	PB No. 1641-1-3, Shop No. 1& 2 Ground Floor Ward "A" Gajan Pur Road, Anaj Mandi, Larkana.	Larkana	0244-360903-05
062	State Life Building Branch	PB No. 272-1, Ground Floor State Life Building No.11, Abdullah Haroon Road, Saddar Karachi.	Karachi	074-4040914
063	Turbat Branch	Khatooni No. 73-73, Khasra No. 2161 to 2188, Main Road Turbat.	Turbat	021-35681851-53
064	Expo Centre Branch	Plot No. 587, Block H-III, Expo Centre, Johar Town, Lahore.	Lahore	0852-411152-3,50
065	Wapda Town Branch	Plot No. 8, Block D, Phase I, PIA Housing Scheme, Wapda Town, Lahore.	Lahore	042-35468498
066	Zhob Branch	Plot No. C-159, C-160, Tehsil Road, Zhob.	Zhob	042-35463995-6
067	Abbottabad Branch	GM Tower, near Sethi Masjid, Mansehra Road, Abbottabad	Abbottabad	0822-412257
068	Dharampura Branch	SE-6R-226/1, Dharampura, Allama Iqbal Road, Lahore.	Lahore	099-2408301-04
069	Faisal Town Branch	35-A, Block A, Faisal Town, Lahore.	Lahore	042-37173833-38
070	Chitral Branch	Ataliq Bazar Bypass Road Near Bus Adda, Chitral.	Chitral	042-35202200
071	Sadiqabad Branch	19/20-D, Tehsil Bazar, Sadiqabad.	Sadiqabad	0943-414389
072	JK Sugar Mills Branch	JK Sugar Mills, Chak No. 84/15L Mian Channu.	Mian Channu	068-5802243
073	Muhammad Ali Society Branch	12-C/B Muhammad Ali Society, Karachi.	Karachi	0300-2120388
074	Super Highway Branch	Shop No. 27 & 28 Property No. 1-B/3, Main Super Highway, Scheme 33, Karachi.	Karachi	021-34320831-35
075	Dera Ghazi khan Branch	Ashraf Palaza, Block # 2, Kachehri Road, D. G. khan.	Dera Ghazi Khan	021-36820013
076	Safoora Chowk Branch	Plot No. SB-15, Block 7, Gulistan E Johar, Scheme 36, Karachi.	Karachi	064-2460256-58
077	Bahria Town Phase - IV Branch	Shop No G-9-10, Bahria Heights II, Ext Bahria Town, Phase- IV, Islamabad.	Islamabad	021-34184191-95
078	Model Colony Branch	H.No. 4/95, Affandi House, Liaquat Ali Khan Road, Model Colony, Karachi	Karachi	0300-6616990
079	DHA Rahbar Branch	Defence Road, DHA Rahbar, Lahore.	Lahore	0300-4283042
080	Badian Road Branch	Khasra No.2512, Abadi Dahi Hadbust, Muaza Lidhar, Lahore.	Lahore	0423-7162813
081	Jutial Branch	Shahrah-e-Quaid-e-Azam Road, Near NHA Office, Jutial Gilgit.	Gilgit	0315-3084095
082	Model Town Branch	30 - Model Town-B, Block A Bahawalpur.	Bahawalpur	062-2888768
083	Tulip Road DHA Phase II Branch	MCB Islamic Bank Ltd DHA Phase-II Branch, Plaza # 8, Street#A/62, Tulip Road, Sector A, DHA Phase-II, Islamabad.	Islamabad	051-5147164
084	Ghafoor Chamber Branch	Shop # 5/8, Ghafoor Chamber Off Abdullah Haroon Road, Saddar Karachi	Karachi	021-35348772
085	Madras Chowk Branch	Shop # S-8, S-9 & S-10, Pioneer Tower Survey No. 22 & 24, Deh Songal Gujro, Sector 16-A, Scheme, Karachi	Karachi	0331-3690485

Br.Code	Name of Branch	Address	City	Contact No.
086	Matco Food Branch	Plot No. B/1 -At Site Super Highway Phase-1 North Karachi, Industrial Area, Karachi.	Karachi	0333-2392389
087	Haronabad Site Branch	Portion No. 23-A/P.U.D179, SITE, Karachi.	Karachi	021-32556601-2
088	Faizan-e-Madina Branch	Shop No. 22, Alami Madani Markaz, Faizan-e-Madina, Mohalla Saudagran Old Sabzi Mandi Karachi.	Karachi	0334-3078581
089	M.A Jinnah Road Branch	Khewat No. 1519, Khatooni No. 1537, Khasra No. 4207/6-5-4 M.A. Jinnah Road, Okara	Okara	0307-2673036
090	Raza Garden Branch	Khewat No. 3, Khatooni No. 17 to 19, Main Sillanwali Road, Raza Garden Sargodha.	Sargodha	048-3250682
091	Burewala Branch	Plot No.98 Block -A, Arabia Islamia Road, Burewala.	Burewala	0302-6999799
092	Millat Chowk Branch	156-B, Millat Chowk, Gulistan Colony, Faisalabad.	Faisalabad	0321-8661717
093	Dalzak Road Branch	MIB Dalzak Road Branch, Malik Sardar Plaza, Near Yousafabad Canal, Dalzak Road, Peshawar.	Peshawar	091-5824366
094	Qasimabad Branch	Shop No. 6 & 7, Raheel Heights, 267/2, Deh Sari, Wadhu Wah Road, Qasimabad, Hyderabad, Sindh.	Hyderabad	0300-9203737
095	Korangi Sector 7A Branch	Plot No. 251, Sector 7-A, Korangi Industrial Area, Karachi	Karachi	0300-2965128
097	Malir Cantt Branch	Shop No. 75, 4 Dots Shopping Complex C/O HQ 4 Air Defence Division, 31 Bostan Lines, Malir Cantonment, Karachi	Karachi	0333-2392389
102	Kamra Branch	Shop No. 75, Mini Plaza, Kamra Cantt, District Attock	Kamra	057-2642521
103	Attock City Branch	Shop # B-III/37, C-152, Dr. Ghulam Gillani Burq Road, Attock City	Attock	057-5700903
104	Talagang Road Branch	B1-1/1634/1, B -1-1635, Talagang Road, Chakwal	Chakwal	0543-602050, 602051
105	Karkhana Bazar Branch	Property # 122, Khatooni # 1650, Khewat # 1647, Karkhana Bazar, Faisalabad	Faisalabad	041-2601805
106	Taj Plaza Kotwali Road Branch	P-64 Taj Plaza, Kotwali Road, Faisalabad.	Faisalabad	041-2604931-32
107	Ghakhar Mandi Branch	Khewat # 2414, Khatooni # 3600, Khasra # 3359, Mauza Ghakkar, District Wazirabad	Ghakhar	055-3886662
108	Satellite Town Branch	Satellite Town Branch, 529-C Satellite Town, Gujranwala	Gujranwala	055-4555091
109	G.T. Road Kharian Branch	Bilal Plaza, G.T.Road, Kharian	Kharian	053-7601325, 7601358
110	Mandi Mandi Bahauddin Branch	Plot # 7/211, Ward # 7, Mandi Bahauddin	Mandi Bahauddin	0546-509551
111	Hussain Plaza G.T. Road Branch	Khasra No. 625, Hussain Plaza, Chowk GTS, G.T Road, Gujrat	Gujrat	053-3571542,053-3530287
113	Market Area Branch	Commercial Plot No. 1272/1, Sheet No. 2, Ward 'A' City Survey, Market Area, Hyderabad	Hyderabad	022-2635072
114	Risala Road Branch	F-71/2, Risala Road, Hyderabad.	Hyderabad	022-2729437, 2731000
115	Post Mall Branch	Plot # 3, F-7 Markaz, Post Office, Mali Building, Islamabad.	Islamabad	051-2608003, 2608018

Br.Code	Name of Branch	Address	City	Contact No.
116	F-8 Markaz Branch	Shop # 12 & 13, Al-Babar Center, F-8 Markaz, Islamabad	Islamabad	051-2852653
117	F-11 Markaz Branch	Plot # 18, Trade Centre, Main Double Road, F11 Markaz, Islamabad	Islamabad	051-2107862
118	E-11/3 Branch	Commercial Plot No. 2, Sector E-11/3, Islamabad Garden, Islamabad.	Islamabad	051-2375343
119	MB City Mall I-8 Branch	MB City Mall, Plot No. 34, I-8 Markaz, Islamabad	Islamabad	051-4862278-9
120	Wah Cantt. Branch	Shop # 1/37, Commercial Area, Civic Centre, Aslam Market, Wah Cantt	Wah Cantt	051-4902231
121	Yousaf Shah Road Branch	Khewat # 698, Khatoon.i # 203, Yousuf Shah Road, District Jhang (Opposite District Courts Jhang)	Jhang	047-7629594-91
122	Sara-i-Alamgir Branch	Fazal Plaza, Main G.T. Road, Sarai Alamgir, District Gujrat	Sarai Alamgir	0544-654932
123	G.T. Road GujjarKhan Branch	Commercial Property # BIII 379 & BIII 377, G.T. Road (Near MCB), Gujjar Khan	Gujar Khan	051-3513734
124	Civil Lines Branch	B-V-112, Resham Plaza, Civil Lines, Jhelum	Jhelum	0544-627128
126	Medicine Market Branch	Marium Manzil, Plot # 161, Survey Sheet # MR-1, Market Quarters, Napier Road, Karachi	Karachi	021-32430489
127	Gul Tower Branch	Gul Tower, Main I.I Chundrigar Road, Karachi	Karachi	021-32426413
128	Cloth Market Branch	Plot # 21/1, Bunder Quarters, Cloth Market, Karachi	Karachi	021-32472148-9
129	Jodia Bazar Branch	MR 6/2, Market Quarters, Virjee Street, Jodia Bazar, Karachi.	Karachi	021-32443758, 021-32432849
130	Jamshed Quarters Branch	Ground Floor, Show Room # 2, Ashfaq Plaza, Plot # 714/5, Jamshed Quarters, New M.A. Jinnah Road, Karachi	Karachi	021-34910571
131	Zaibunnisa Street Branch	State Life Building # 5, Zaibunnisa Street, Saddar, Karachi	Karachi	021-35212102
132	Javed Arcade Branch	Commercial Shop # 3,4,5 & 6, Javed Arcade, Plot # SB1, Block # 17, KDA Scheme # 36, Gulistane-Jauhar, Karachi	Karachi	021-34636746
133	Shershah Branch	Plot # M-II-E-606, Shershah, Karachi	Karachi	021-32587581, 82,83
135	Darakhshan Society, Malir Halt Branch	Plot # 2-A/423, Situated at Drakhshan Society, Malir Halt, Karachi	Karachi	021-34115090-91
137	Shaheed-e-Millat Road Branch	Bismillah Blessings, Plot No. 7 -A/228, SS No. 35-P/1, Block-3, DMCHS, Main Shaheede-Millat Road, Karachi	Karachi	021-34943666
138	Business Arcade Branch	Plot # 27-A, Business Arcade, Block-6, P.E.C.H.S., Shahrae-Faisal, Karachi.	Karachi	021-34326570, 71,72,73
139	Landhi No 6 Branch	Plot # 48/1, 48/2, Area 4D, Landhi # 06, Landhi, Karachi	Karachi	021-5040601-5
140	Rabi Square Branch	168-D, Block-III, Rabi Square, PECHS, Khalid Bin Waleed Road, Karachi	Karachi	021-34398481
141	EOBI House Branch	Plot No. ST-1/A-1, KDA Commercial Complex, Scheme 1, Shop No. G-17/B, Ground Floor, EOBI House, Shahrahe-Faisal, Karachi	Karachi	021-34330172
142	Port Qasim Branch	CP-10/2-B/II-A, Port Operation Area, Port Qasim Authority, Karachi	Karachi	021-35277184
143	Allama Iqbal Road, PECHS Branch	Plot No.683-C Ground Floor & Mezzanine Floor, Block2, PECHS, Allama Iqbal Road, Karachi.	Karachi	021-34301817
144	Sector 15, Korangi	Plot # SC-5, ST-17, Sector 15, Korangi Industrial Area, Karachi. Industrial Branch	Karachi	021-35114148

Br.Code	Name of Branch	Address	City	Contact No.
145	Nauras Chowrangi SITE Branch	Shop No. 2, Plot No. B/9, Survey No. 22, Sheet No. 35/L.I., SITE Area, Karachi	Karachi	021-32562656
146	Block A North Nazimabad Branch	Plot # SD-12, Block- A, North Nazimabad, Karachi	Karachi	021-36673597
147	Bilawal Chowk Branch	Sands Apartments, Shop No. 8, Ground Floor, Block No.2, KDA Scheme No.5, Khayaban-e-Saadi Road, Kehkashan Clifton, Karachi	Karachi	021-35375013
148	Saba Avenue, DHA Branch	Saba Avenue, Plot # 8-C, Badar Commercial, Street # 6, Phase V Ext, DHA, Karachi	Karachi	021-35341673
149	DHA Phase I Branch	19/C & 21/C, 21st East Street, Phase 1, Pakistan Defence Officers Housing Authority, Karachi.	Karachi	021-35386881-3
150	Zamzama Branch	18-C, 5th Zam Zama Lane, DHA Phase V, Karachi.	Karachi	021-3810788
151	Kulsoom Court Branch	Kulsoom Court, Shop # 2, 3, 5A & 6, Plot DC-3, KDA Scheme # 5, Block-9, Clifton, Karachi.	Karachi	021-38798971-77
152	DHA Phase IV Branch	Ground Floor, Plot # 99-E, Survey # 26, 9th Commercial Street, Phase-IV, DHA, Karachi	Karachi	021-35885718, (6426,4181)
154	DHA Phase II Branch	106/C, Phase-II, National Highway, D.H.A., Karachi.	Karachi	021-38107889
155	Paper Market Branch	Plot Bearing No.11/2, Sheet SR-9, Serai Quarters, Anjaar Wala Bakery Sharah-E-Liaquat Karachi.	Karachi	021-32216368-69
156	Timber Market Branch	Ground Floor, Plot # 1/2, Lea 7, Lea Quarters, Timber Market, Siddiqui Wahab Raod, Karachi	Karachi	021-32751119
157	Nishtar Road Branch	Shop # 7, 8 & G/19, Ground Floor, Ana Crown Palace, Nishtar Road, Garden West, Karachi	Karachi	021-32231338
158	West Wharf Road Branch	Puri House, 4/22, West Wharf Road, Karachi	Karachi	021-32205422, 4639
159	Gulshan-e-Ravi Branch	159-A, Main Boulevard, Gulshan Ravi, Lahore	Lahore	0423-7401870-3,4,90
160	Nila Gumbad Branch	Plot # 12, McLagan Road, Nila Gumbad, Lahore.	Lahore	0423-7210102
161	China Chowk Branch	14-A (Ground Floor), Shahrahe-Aiwan-e-Tijarat, Old Race Course Road, Lahore.	Lahore	042-38108056-59
162	Davis Road Branch	Aftab Centre, 30-Davis Road, Lahore	Lahore	042-36287029, 36286965
163	Model Town C-Block Branch	Shop No.10 and 11, Commercial Market, C-Block, Model Town, Lahore.	Lahore	042-35915403-6
164	Urdu Bazar Branch	S-III-13-S-20 & S-III-2-S-26/RH Majahid Street, Behind Urdu Bazaar, Paisa Akhbar, Lahore.	Lahore	042-37361216
165	DHA Phase II Branch	Commercial Plot # 12, Block CCA, D.H.A. Phase II, Lahore	Lahore	0423-5749481, 5707033
166	Bahria Town Branch	65-A, Sector-C, Bahria Town, Lahore	Lahore	0423-7861591-3
167	Thokar Niaz Baig Branch	171-A Ali Town, Main Raiwind Road, Lahore	Lahore	042-35963291
168	Ichra Branch	Shop # 158, Mohalla Rasool Pura, Ichra, Main Ferozepura Road, Lahore.	Lahore	042-37426801-5
169	Multan Road Branch	9-A, Block Industrial, Allama Iqbal Town Scheme, Multan Road, Lahore	Lahore	042-37803449

Br.Code	Name of Branch	Address	City	Contact No.
170	Muzaffarabad AJK, Branch	Plot No. 26-1, Ghari Phan Chowk, Domel Syedan, Muzaffarabad, AJK	Muzaffarabad	05822-921137-8, 920455
171	Mirpur AJK, Branch	Bank Square, Allama Iqbal Road, Mirpur A.K.	Mirpur A.K.	05827-442840, 447683
172	Hayyatabad Branch	B-1, Phase V, Hayatabad, Peshawar	Peshawar	091-5825305
173	Chowk Yadgar Branch	Shop No. 1,2,3,4,5, Ground & First Floor, Haroon Plaza, Chowk Yadgar, Peshawar	Peshawar	091-2580718, 2590762
174	Choharmal Road Branch	Kheiwat # 230 Khatooni # 272 Khasra # 235 at Choharmal Road, Quetta.	Quetta	081-2843640
175	Mannan Chowk Branch	2-11/6-303, Mannan Chowk, M.A. Jinnah Road, Quetta	Quetta	081-2836204-5
176	Murre Road Branch	North Star Plaza, 20-B, Murree Road, Satellite Town, Rawalpindi.	Rawalpindi	051-4426972-3,5,6
177	PWD Employees Society Branch	40-B, Block-B, Commercial Area (Extension), PWD Employees Housing Society, Lohi Bhair, Islamabad Highway	Islamabad	051-5957660-2
179	Mian Khan Road Branch	110 Mian Khan Road, Block 5, Sargodha.	Sargodha	048-3726609, 3729623
180	Sargodha Road Sheikhpura Branch	Shop No.1, Ground Floor, AHamd Plaza, Balti Chowk, Lahore Road, Sheikhpura	Sheikhpura	056-3812456
181	Kashmir Road Branch	155/A, BIII-12S, Sublime Chowk, Kashmir Road, Sialkot	Sialkot	0523-241491
182	Memon Mohalla Sukkur Branch	C.S. No. D-537/1, Situated at Memon Mohallah, Barrage Road, Sukkur	Sukkur	071-5618227-24
183	Shahdadpur Branch	Plot City Survey # 801 to 804 and 813, Station Road, Shahdadpur, Sindh	Shahdadpur	023-5844901-2
184	Muhammadi Chowk Branch	Plot City Survey # 535, Muhammadi Chowk, Tando Adam, Distt: Sanghar, Sindh	Tando Adam	0235-574081
185	Kunri Branch	Plot # 9 Block # 263/4, Deh Goraho, City Kunri.	Taluka Kunri	0238-558014-13
186	Shahdara Branch	Khasra No. 2302/172, Main Sheikhpura Road, Hadbast Mouza, Jiya Musa, Lahore	Lahore	042-37919160
187	Mughalpur Branch	Plot No. SE-IR-266, New Abadi, Hadbast Mouza, Baghbanpura, Tehsil Cantt. District Lahore.	Lahore	042-36844011-12
188	Timber Market Branch	NWIII.R.78/5/A, Timber Market, Lahore	Lahore	042-37722338-9
189	Babar Center Circular Road Branch	Babar Center, 5+Circular Road, Outside Akbari Gate, Lahore	Lahore	042-37379250
190	Badami Bagh Branch	93-GRAIN MARKET BADAMI BAGH LAHORE	Lahore	042-37706366
191	Azam Cloth Market Branch	1753-Nawab Bazar, Azam Cloth Market, Lahore.	Lahore	042-37658134