

STROKE OF THE HUMAN ELEMENT

QUARTERLY
REPORT
MARCH 2019
(UN-AUDITED)



Soneri Bank
Roshan Har Qadam

**Quarterly Report
March 2019
(Un-audited)**



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CORPORATE INFORMATION

CHAIRMAN

MR. ALAUDDIN FEERASTA

CHIEF EXECUTIVE OFFICER

MR. MOHAMMAD AFTAB MANZOOR

DIRECTORS

MR. NOORUDDIN FEERASTA

MR. AMIN A. FEERASTA (EXECUTIVE DIRECTOR)

MR. MUHAMMAD RASHID ZAHIR

MR. MANZOOR AHMED (NIT NOMINEE)

MR. INAM ELAHI

MR. JAMIL HASSAN HAMDANI

CHIEF FINANCIAL OFFICER

MR. MIRZA ZAFAR BAIG

COMPANY SECRETARY

MR. MUHAMMAD ALTAF BUTT

AUDITORS

M/S. KPMG TASEER HADI & CO.

CHARTERED ACCOUNTANTS

SHARI'AH BOARD

MUFTI EHSAN WAQUAR AHMAD (CHAIRMAN)

MUFTI MUHAMMAD ZAHID (RESIDENT MEMBER)

MUFTI BILAL AHMED QAZI (MEMBER)

LEGAL ADVISORS

MANAN ASSOCIATES, ADVOCATES

REGISTERED OFFICE

RUPALI HOUSE 241-242,
UPPER MALL SCHEME,
ANAND ROAD, LAHORE - 54000

CENTRAL OFFICE

10TH FLOOR, PNSC BUILDING,
M.T. KHAN ROAD, KARACHI-74000

REGISTRAR AND SHARE TRANSFER AGENT

THK ASSOCIATES (PRIVATE) LTD.,
1ST FLOOR, 40-C,
BLOCK-6, P.E.C.H.S.,
KARACHI - 75400
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DIRECTORS' REVIEW

On behalf of the Board of Directors, we are pleased to present the Directors' Review of Soneri Bank Limited ('the Bank') along with the unaudited condensed interim financial statements for the quarter ended 31 March 2019.

Economic Review:

The year 2019 began on a challenging note for the country and its economy, with high current account and fiscal deficits, low foreign exchange reserves, rising inflation and devaluation of the Pak Rupee against the US Dollar. The government had to take significantly bold measures to take these challenges head on. After witnessing record growth levels in FY2018, Pakistan's GDP growth is expected to drop to 3.5 percent in FY2019 amidst these macroeconomic challenges.

The consistently high current account deficit continues to put stress on the country's balance of payments, mainly because of imports being higher against exports. The devaluation of Pak Rupee against US Dollar has made the production of exportable goods more expensive and thus exports more difficult. Devaluation, coupled with the upward trend in international oil and domestic gas prices has led to increased inflationary pressures. It is expected that inflation would rise to an average 7.5 percent in 2019, driven by heavy government borrowings from the Central Bank, and further hikes expected to domestic gas and energy tariffs. However, the continuing increase in interest rate indicates government policy to control rising inflation. The SBP increased the policy rate by 25 basis points in the monetary policy announcement on 31 January 2019, and a further increase of 50 basis points was announced on 29 March 2019. Effective 01 April 2019, the SBP's policy rate stands at 10.75 percent.

Agriculture growth is expected to underperform in 2019, and with domestic demand contracted, there is a low growth expectation in large scale manufacturing as well. The country is thus facing a low-growth-high-inflation cycle, which usually takes time to recede.

Taking the aforementioned economic pressures into consideration, the government's recent policies appear to be aligned towards exports, investment and productivity growth. It is also anticipated that new foreign investors would come into the market, particularly in the Automobile and Energy sectors. The "One belt One road" initiative under China Pakistan Economic Corridor (CPEC) is entering into the second phase, moving from infrastructure to trade and industry.

A keen focus on maintaining a consistent and sound fiscal and monetary policy should be a key priority for the government. This would be pivotal for overall economic stability. The priorities of the Government should shift from consumption to investment. Key Tax reforms would be of equal importance, as bringing a large proportion of population under the tax net would help the government in increasing revenue.

It is expected that the government shall sign up for a three-year macroeconomic stabilization program with the International Monetary Fund in the coming days. Plans are also in place for arranging financial assistance from bilateral sources and oil credit facilities from friendly countries. Austerity measures by the government to win investor trust and better law and order situation would likely improve economic conditions in the coming months, but overall growth prospects remain subdued over the medium term. The heightened political tensions arising out of recent actions taken by the neighboring government have put regional stability at risk and it is high time to address the concerns through meaningful dialogue.

The challenges we are confronted with are serious. With growth prospects remaining low over the medium term and the fact that we have returned to the IMF for a balance of payments support package, means more structural reforms can be expected to follow. We remain optimistic that the challenges would be dealt with through a sound and methodical approach.

The Bank shall be following a risk-based, cautious approach towards business and lending, and we remain committed to play our part in helping the country and our people towards economic stability and steadiness.

The Bank's Performance and Operating Results:

The summarized financial position and operating results of the Bank for the first quarter ended 31 March 2019 are as follows:

	As at 31 Mar 2019	As at 31 Dec 2018
	(Rupees in '000)	
FINANCIAL POSITION		
Advances – net	190,370,999	186,475,183
Investments – net	84,817,774	146,645,533
Total Assets	326,540,242	382,497,788
Total Deposits	258,791,136	262,378,761
Shareholders' Equity	17,774,958	17,988,874
	Period ended 31 Mar 2019	Period ended 31 Mar 2018
	(Rupees in '000)	
FINANCIAL PERFORMANCE		
Net Interest Income	2,060,226	1,681,975
Non Markup Income	665,268	929,639
Total Revenue	2,725,494	2,611,614
Non-Markup Expenses	2,101,808	1,806,492
(Reversals) / Provisions - net	(577,354)	(210,681)
Profit before tax	1,201,040	1,015,803
Profit after tax	723,307	660,012
Earnings per share (Rupee)	0.6561	0.5987

DIRECTORS' REVIEW

The Bank posted Profit before tax (PBT) of Rs. 1,201 million and Profit after tax (PAT) of Rs. 723 million for the quarter ended 31 March 2019, as compared to Rs. 1,016 million and Rs. 660 million respectively for the quarter ended 31 March 2018. This indicates a year on year PBT growth of 18.24 percent and a PAT growth of 9.59 percent. The Bank's EPS improved to Rs. 0.6561 per share in March 2019 from Rs. 0.5987 per share in the same period last year. Increase in business volumes as well as a gradual increase in discount rate have both contributed towards the improved bottom line. Net markup income of the Bank indicated an increase of 22.49 percent, year on year, improving to Rs. 2,060 million in Jan - March 2019 from Rs. 1,682 million in Jan - March 2018. Core Fee and Commission income also indicated a healthy year on year growth of 10.92 percent, which was partially offset by lower foreign exchange income, which declined by 31.07 percent. In the absence of additional capital gains of Rs. 244 million materialized in the quarter ended on 31 March 2018, overall non mark-up income indicated a decline of 28.44 percent. Nonetheless, total income of the Bank has improved by 4.36 percent year on year.

Non Mark-up expenses increased by 16.35 percent from Rs. 1,806 million in Jan - March 2018 to Rs. 2,102 million in Jan - March 2019. Branch expansion costs, additional premium under SBP's Depositor Protection Scheme, and additional amortization costs of Core Banking system largely contributed in the increase in administration expenses.

The Bank's net advances portfolio grew by 2.09 percent, i.e. Rs. 3,896 million on 31 March 2019 compared to 31 December 2018. Non-performing loans decreased by 3.83 percent from Rs. 11,357 million on 31 December 2018 to Rs. 10,923 million on 31 March 2019. The Bank's specific provision coverage at March 2019 stands at 70.33 percent (December 2018: 73.21 percent).

At the end of first quarter of 2019, net Investments indicated a decline of 42.16 percent or Rs. 61,827 million with net investments reported at Rs. 84,817 million. The composition of investments remained largely skewed towards government securities, mainly market treasury bills. Following the maturity of certain Treasury Bills in February 2019, the Bank followed a conservative approach not to increase its shorter tenor position further, given the expectation of further rate hikes in March 2019. Borrowings, therefore, also indicated a decline of 66.47 percent or Rs. 54,483 million, as against the position on 31 December 2018, and amounted to Rs. 27,480 million at quarter end.

Deposit portfolio registered a decline of Rs. 3,588 million or 1.37 percent from 262,379 million at 31 December 2018 to Rs. 258,791 at 31 March 2019. In terms of average volumes, a growth of Rs. 38,739 million or 17.59 percent was witnessed. As at 31 March 2019, the Bank's CASA percentage stood at 64.14 percent. (December 2018: 60.76 percent). The Bank has managed to off load certain high cost deposits at the quarter end, with term deposits decreasing by Rs. 10,169 million, or 9.88 percent as against the position on 31 December 2018.

Reversals against non performing portfolio, increased from Rs. 210.681 million on 31 March 2018 to Rs. 577.354 million on 31 March 2019, improving by 2.74 times.

Moving ahead, we intend to expand our branch network in order to take our outreach further. We aim to further diversify our deposit portfolio mix, to further improve on our CASA mix and rationalize our cost of deposits. With one of the best ADR ratios in the industry, we intend to grow our loan book prudently whilst focusing on improving our NPL ratio and specific provision coverage. With our effective risk management framework in place, we remain committed towards maintaining strict regulatory compliance with all applicable laws and best practices.

As at 31 March 2019, the Bank's Capital Adequacy Ratio was reported at 14.04 percent, which is well above the prescribed regulatory benchmark.

The Board of Directors are confident that the Bank would continue to perform well, amidst a challenging environment and shall be able to achieve its KPIs and meet the expectations of our stakeholders.

Credit Rating:

The Pakistan Credit Rating Agency (PACRA) maintained the Bank's credit rating of AA- for long term and A1+ for short term with stable outlook, through its notification dated 20 December 2018.

The ratings reflect the Bank's sustained and stable position in the market with strong risk profiling and lending capacity. PACRA has also maintained the credit rating of unsecured, subordinated and listed Term Finance Certificates (TFC - 2) issue of worth PKR 3,000 million at A+ (Single A plus) with Stable Outlook, and the rating of the Bank's unsecured, subordinated, rated, listed, perpetual, non-cumulative and contingent convertible Term Finance Certificates (ADT - 1) issue of worth PKR 4,000 million at A (Single A) with Stable Outlook, vide their notification dated 20 December 2018.

Acknowledgment:

On behalf of the Board, we would like to thank all our stakeholders including our regulators, The State Bank of Pakistan and The Securities and Exchange Commission of Pakistan for their continued guidance and support. We are also indebted to our valued customers for their patronage, and appreciate our employees for their hard work, passion and relentless dedication.

On behalf of the Board of Directors,

MOHAMMAD AFTAB MANZOOR
President & Chief Executive Officer

ALAUDDIN FEERASTA
Chairman

Karachi: 24 April 2019

بینک نے 31 مارچ 2019 کو ختم ہونے والی سہ ماہی کے دوران قفل ازنگس 1,201 ملین روپے منافع کمایا اور بعد ازنگس 723 ملین روپے منافع کمایا، جو گزشتہ سال 31 مارچ 2018 کو ختم ہونے والی سہ ماہی کے دوران بالترتیب 1,016 ملین روپے اور 660 ملین روپے تھا۔ اس سے ظاہر ہوتا ہے کہ قفل ازنگس منافع میں 18.24 فیصد اور بعد ازنگس منافع میں 9.59 فیصد اضافہ ہوا۔ اس سال 31 مارچ 2019 میں آمدنی فی شخص بہتری کے ساتھ 0.6561 رہی جو کہ گزشتہ سال اسی مدت کے دوران 0.5987 روپے تھی۔ کاروباری حجم اور ڈسکاؤنٹ ریٹ دونوں میں میں متواتر اضافے نے مجموعی اعداد و شمار کو بہتر بنانے میں معاونت کی۔ بینک کی نیٹ مارک اپ انکم 22.49 فیصد اضافے کو ظاہر کرتے ہیں جو کہ جنوری یا مارچ 2018 کے 1,682 ملین روپے کے مقابلے میں جنوری تا مارچ 2019 کے دوران بہتری کے ساتھ 2,060 ملین روپے رہی۔ بنیادی فیس اور کمیشن سے حاصل آمدنی بھی 10.92 فیصد کی بہترین بڑھوکار ظاہر کر رہی ہیں، جس میں جزوی طور پر فاران پیچھے آمدنی میں کمی کی وجہ سے متاثر رہی، جو کہ 31.07 فیصد کی واقع ہوئی۔ 31 مارچ 2018 کو ختم ہونے والی سہ ماہی میں 244 ملین روپے کے کمپنل گینز استعمال کیے گئے چنانچہ کمپنل گینز کی عدم دستیابی کے سبب مجموعی طور پر نان مارک اپ انکم میں 28.44 فیصد کی واقع ہوئی۔ اس کے باوجود، بینک کی کل آمدنی میں 4.36 فیصد اضافہ ہوا۔

نان مارک اپ اخراجات جنوری تا مارچ 2018 کے دوران 1,806 ملین روپے کے مقابلے میں جنوری تا مارچ 2019 کے دوران 16.35 فیصد اضافے سے 2,102 ملین روپے رہے۔ شاخوں میں توسیع کے اخراجات، اسٹیٹ بینک آف پاکستان کی فائزر پر ٹیکس کے تحت اضافی پرمیٹ اور بینکاری کے بنیادی نظام کے اضافی اخراجات میں واضح اضافے نے انتظامی اخراجات میں اضافہ کرنے میں اہم کردار ادا کیا۔

بینک کے خالص ایڈوانسز پورٹ فولیو میں 31 دسمبر 2018 کے مقابلے میں 31 مارچ 2019 کو 2.09 فیصد یا 3,896 ملین روپے کا اضافہ ہوا۔ غیر فعال قرضے 3.83 فیصد کی ساتھ 31 مارچ 2019 کو 10,923 ملین روپے پر موجود ہیں جو کہ 31 دسمبر 2018 کو 11,357 ملین روپے پر موجود تھے۔ بینک کی کمپنل گینز 70.33 فیصد پر موجود ہے۔ (دسمبر 2018: 73.21 فیصد)۔

سال 2019 کی پہلی سہ ماہی کے اختتام پر خالص انویسٹمنٹ 42.16 فیصد یا 61,827 ملین روپے کی کی کمی نشاندہی کر رہی ہیں جو کہ 84,817 ملین روپے رہیں۔ سرمایہ کاری کا رجحان کلیدی سیکٹر میں زیادہ تر مارکیٹ ٹریڈری بلوں میں رہا۔ فروری 2019 میں کچھ ٹریڈری بلوں کی پیچیدگی کے بعد بینک نے مختار نقطہ نظر اختیار کرتے ہوئے مختصر وقت کے لیے ٹریڈری بلوں کی مدت میں مزید اضافہ نہیں کیا جبکہ مارچ 2019 میں نرخ بڑھنے کی توقعات تھیں۔ 31 دسمبر 2018 کے مقابلے میں قرضہ جات میں بھی 66.47 فیصد یا 54,483 ملین روپے کی کمی ریکارڈ کی گئی جو کہ اس سہ ماہی کے اختتام پر 27,480 ملین روپے پر موجود ہیں۔

ڈپازٹ پورٹ فولیو 31 دسمبر 2018 کے 262,379 ملین روپے کے مقابلے میں 31 مارچ 2019 کو 258,791 ملین روپے پر موجود ہیں جو کہ 3.58 فیصد یا 3,588 ملین روپے کی کمی کو ظاہر کرتے ہیں۔ اوسط حجم کے لحاظ سے، 17.59 فیصد یا 38,739 ملین روپے کی بڑھوکار دیکھی گئی۔ 31 مارچ 2019 تک بینک کی CASA پریسج 64.14 فیصد پر موجود ہے (دسمبر 2018: 60.76 فیصد)۔ اس سہ ماہی کے دوران بینک نے کچھ بھاری لاگت والے ڈپازٹس کا بوجھ اتارا ہے، جس کے سبب نرم ڈپازٹ 31 دسمبر 2018 کے مقابلے میں 10,169 ملین روپے یا 9.88 فیصد کم ہوئے۔

31 مارچ 2019 کو ختم ہونے والی سہ ماہی کے دوران غیر فعال پورٹ فولیو کی واپسی اضافے کے ساتھ 577,354 ملین روپے رہی جو کہ 31 مارچ 2018 تک 210,681 ملین روپے تھی، جو کہ 2.74 گنا اضافے کو ظاہر کرتا ہے۔

ہم مستقبل میں اپنی شاخوں کا نیٹ ورک مزید بڑھانے کے لیے کوشاں ہیں تاکہ ہماری پیچھے لگ کے ہر کونے میں ہو سکے۔ ہم اپنے ڈپازٹ پورٹ فولیو کو کمزید بڑھانے، اپنے CASA کس کمزید بہتر بنانے اور اپنے اخراجات کی لاگت پر قابو پانے کے لیے پرمز ہیں۔ انٹرنیٹ میں بہترین ADR تناسب کے ساتھ، ہم اپنے قرض کی کتب کو بڑھانے اور مخصوص کمپنل کی وسعت کے لیے کوشاں ہیں۔ ہم تمام قابل اطلاق قوانین اور بہترین طریقوں کے ساتھ سخت کیولیئر کی قیاد پر قائم رکھنے کے لیے عزم رکھتے ہیں۔

31 مارچ 2019 تک بینک کا کمپنل ایلیکسی ریٹو 14.04 فیصد ہے، جو کہ تعین کردہ ریگولیٹری شیڈ مارک سے زیادہ ہے۔

بینک کے بورڈ آف ڈائریکٹرز کو مکمل اطمینان ہے کہ بینک تمام تک مشکل حالات اور رکاوٹوں کے باوجود بہترین کارکردگی دکھانے کا سلسلہ جاری رکھتے ہوئے اپنے KPIs حاصل کرے گا اور اسٹیک ہولڈرز کی توقعات پر پورا اترے گا۔

کرڈٹ ریٹنگ

پاکستان کرڈٹ ریٹنگ ایجنسی (PACRA) نے اپنے 20 دسمبر 2018 کو جاری کردہ نوٹیفیکیشن میں بینک کی طویل المدت کرڈٹ ریٹنگ-AA (ڈبل اے مائنس) اور مختصر المدت کرڈٹ ریٹنگ+A1 (اے ون پلس) کو مستحکم آؤٹ لک کے ساتھ برقرار رکھی ہے۔

یہ ریٹنگ بینک کی مارکیٹ میں مضبوط اور مستحکم پوزیشن کے ساتھ خطرات کا مقابلہ کرنے اور قرض دینے کی صلاحیت کی عکاسی کرتی ہے۔ PACRA نے اپنے 20 دسمبر 2018 کو جاری ہونے والے نوٹیفیکیشن میں 3,000 ملین روپے مالیت کے unsecured, subordinated اور secured پر مبنی ٹرم فنانس سرٹیفیکیشن (TFC-2) کی کرڈٹ ریٹنگ +A (مستحکم اے پلس) اور 4,000 ملین روپے مالیت کے unsecured, subordinated, rated, listed اور non-cumulative اور contingent convertible perpetual پر مبنی ڈپازٹ سرٹیفیکیشن (ADT-1) کی ریٹنگ A (مستحکم اے) برقرار رکھی ہے۔

اظہار تشکر

ہم بورڈ کی جانب سے اپنے تمام اسٹیک ہولڈرز بشمول ہمارے تمام ریگولیٹرز، اسٹیٹ بینک آف پاکستان اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے تہدول سے منسلک ہونے والے انہوں نے ہمیں مکمل حمایت اور اہتمامی سے نوازا۔ ہم اپنے معزز کسٹمرز کا بھی شکریہ ادا کرتے ہیں جنہوں نے ہمیں ہم پر اعتماد قائم رکھا۔ ہم بینک کے تمام ملازمین کا بھی شکریہ ادا کرتے ہیں جو ہماری مخلص طاقت ہیں، یقیناً ان کی انتھک محنت کی بدولت بینک سالہا سال سے ترقی کی منازل طے کر رہا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

علاء الدین فراسٹ
چیئر مین

محمد آفتاب منظور
پریذیڈنٹ اینڈ چیف ایگزیکٹو آفیسر

کراچی: 24 اپریل 2019

ہم نہایت مسرت کے ساتھ بورڈ آف ڈائریکٹرز کی جانب سے سوئیری بینک لیٹڈ (دی پبلک) کے 31 مارچ 2019 کو ختم ہونے والی سہ ماہی کے لیے ڈائریکٹرز کی جائزہ بعد غیر پڑتال شدہ عبوری مالیاتی گوشوارے پیش کر رہے ہیں۔

اقتصادی جائزہ

سال 2019، ملک اور اس کی معیشت کے لیے بڑھتا ہوا کرنٹ اکاؤنٹ اور مالی خسارہ، کم ہوتے غیر ملکی کرنسی کے ذخائر، بڑھتی ہوئی افراط زر اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کے ساتھ ایک چیلنجنگ نوٹ پر شروع ہوا۔ حکومت کو اس مشکل صورت حال سے نکلنے کے لیے نمایاں جرات مندانہ اقدامات اٹھانے پڑے۔ مالی سال 2018 میں ریکارڈ کی گئی ترقی کا مشاہدہ کرنے کے بعد، ان اقتصادی معاشی چیلنجنگز میں گھرے مالی سال 2019 میں پاکستان کی شرح نمو کی ترقی 3.5 فیصد تک کرنے کی توقع کی جارہی ہے۔

کرنٹ اکاؤنٹ خسارے میں جاری اضافے کا باعث ملکی کی ادائیگیوں کے توازن پر مسلسل دباؤ قائم ہے، جس کی بنیادی وجہ درآمدات کے مقابلے میں برآمدات کا زیادہ ہونا ہے۔ امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی نے برآمد شدہ مالی پیداوار کی لاگت میں اضافہ کیا جس کے باعث برآمدات کرنا مشکل ہو گیا۔ روپے کی قدر میں کمی، بین الاقوامی سطح پر تیل اور مقامی گیس کی قیمتوں میں اضافے کے تھکان کے ساتھ افراط زر پر دباؤ بڑھانے کا باعث بنا۔ جس کے بعد توقع کی جارہی ہے 2019 میں افراط زر اوسط 7.5 فیصد تک بڑھ جائے گا، جس کا سبب حکومت کی سینٹرل بینک سے بھاری قرضہ، مقامی گیس اور توانائی کے ٹیرف میں متوقع مزید اضافہ ہے۔ تاہم، شرح سود میں مسلسل اضافہ اس بات کی طرف اشارہ کرتا ہے کہ حکومت کی پالیسی اس بڑھتے ہوئے افراط زر پر قابو پانے میں کامیاب ہو جائے گی۔ اسٹیٹ بینک آف پاکستان نے 31 جنوری 2019 کو اپنی پالیسی کا اعلان کیا، جس میں پالیسی ریٹ میں 25 بیس پوائنٹس کا اضافہ کیا گیا، اس کے بعد 29 مارچ 2019 کو 50 بیس پوائنٹس کا اضافہ کیا گیا۔ SBP کی پالیسی ریٹ 10.75 فیصد پر موجود ہے، جس کا اطلاق یکم اپریل 2019 سے ہوا۔

2019 میں زراعت کی ترقی میں کمی کا امکان ہے، اور مقامی طلب کے معاہدے کے ساتھ ساتھ بڑے پیمانے پر میٹو، فیکچرنگ کی ترقی میں بھی کمی کی توقع ہے۔ اس طرح ملک کو کم پیداوار۔ زیادہ افراط زر کا سامنا ہے، جس پر قابو پانے کے لیے وقت درکار ہے۔

مذکورہ بالا اقتصادی دباؤ پر توجہ مرکوز کرنے کے بعد، حکومت کی حالیہ پالیسیوں میں برآمدات، سرمایہ کاری اور پیداواری ترقی کو بڑھانے سے متعلق اشارہ کیا گیا ہے۔ جس کے ساتھ ساتھ غیر ملکی سرمایہ کاروں کے مارکیٹ میں آمد، خاص طور پر آٹوموبائل اور توانائی کے سیکٹرز میں کاردار اکائے جانے کی توقع بھی کی جارہی ہے۔ چاک جائیداد اقتصادی راہداری (CPEO) کے تحت "ون ویلٹ ون روڈ" کا منصوبہ دوسرے مرحلے میں داخل ہوتے ہوئے انفراسٹرکچر سے تجارت اور صنعت کی جانب بڑھ رہا ہے۔

بہترین مالی اور مالیاتی پالیسیوں کو برقرار رکھنا حکومت کی اولین ترجیحات میں شامل ہونا چاہیے۔ یہ مجموعی طور پر اقتصادی استحکام کے لیے اہم ہے۔ حکومت کی ترجیحات کھپت سے سرمایہ کاری کی طرف منتقل ہونی چاہیے۔ بنیادی ٹیکس اصلاحات مساوی اہمیت کے حامل ہونے کے ساتھ آدھی کا بڑا حصہ ٹیکس نیٹ کے تحت لانے سے حکومت کو یو بیو بڑھانے میں مدد مل سکے گی۔

آنے والے دنوں میں حکومت کی جانب سے بین الاقوامی مالیاتی فنڈ کے ساتھ تین سالہ اقتصادی معاشی استحکام پروگرام سامان ہونے کی توقع ہے۔ دو طرفہ ذرائع اور دوستانہ مالیات سے آئٹل کرڈٹ کی سہولیات کے ساتھ مالی امداد کی منصوبہ بندی کے لیے بھی اقدامات کئے جانے چاہیے۔ سرمایہ کاروں کا اعتماد حاصل کرنے کے لیے حکومت کی جانب سے کفایت شعاری کے اقدامات اور بہتر امن و امان کی صورت حال آنے والے مہینوں میں اقتصادی صورت حال میں بہتری لاسکتی ہے۔ لیکن مجموعی طور پر ترقی کے امکانات درمیانی مدت میں بھی کم رہیں گے۔ پڑوسی حکومت کی جانب سے کی جانے والی حالیہ کارروائیوں سے شدید سیاسی کشیدگی پیدا ہوئی، جس نے خطے کے استحکام کو خطرے میں ڈال دیا اور اب یہ باقی مذاکرات کے ذریعہ خدشات کو حل کرنے کا مناسب وقت ہے۔

ہمیں شدید مشکلات کا سامنا ہے۔ درمیانی مدت میں ترقی کے امکانات کم رہنے کے ساتھ اور اس حقیقت کے ساتھ کہ ہم ادائیگیوں کے توازن کے تعاون کے نتیجے کے لیے آئی ایم ایف کی طرف دوبارہ رخ کر رہے ہیں، اس کے پیش نظر زیادہ اسٹریٹجک اصلاحات کی جاسکتی ہیں۔ ہم پرامید ہیں کہ مشکلات کا جائزہ لے کر غور و خوض کے بعد بہتر طریقے سے ان پر قابو پایا جائے گا۔

بینک کاروبار کرنے اور قرض کے لیے رسک پر مبنی محتاط حکمت عملی اپنانے کا اور معاشی استحکام اور استقلال کی خاطر اپنے ملک اور عوام کی مدد کرنے کے لیے اپنا کردار ادا کرتا رہے گا۔

بینک کے آپریٹنگ نتائج اور کاروباری جائزہ:

بینک کی 31 مارچ 2019 کو ختم ہونے والی پہلی سہ ماہی کے لیے مالیاتی صورتحال اور کلیدی مالیاتی اشاروں کے ساتھ مندرجہ ذیل میں پیش کیے جا رہے ہیں۔

مالیاتی صورتحال کا بیان	31 مارچ 2019	31 دسمبر 2018
خالص ایڈانسر	190,370,999	186,475,183
خالص سرمایہ کاری	84,817,774	146,645,533
مجموعی اثاثے	326,540,242	382,497,788
مجموعی ذیلیات	258,791,136	262,378,761
تھخص پائڈنٹن کی ایکویٹی	17,774,958	17,988,874
مالیاتی کارکردگی	31 مارچ 2019	31 مارچ 2018
کو ختم شدہ مدت	کو ختم شدہ مدت	کو ختم شدہ مدت
روپے '000 میں	روپے '000 میں	روپے '000 میں
خالص انٹرسٹ آمدنی	2,060,226	1,681,975
نان مارک اپ آمدنی	665,268	929,639
کل آمدنی	2,725,494	2,611,614
نان مارک اپ اخراجات	2,101,808	1,806,492
خالص (تشیج) / تنوین	(577,354)	(210,681)
قبل از ٹیکس منافع	1,201,040	1,015,803
بعد از ٹیکس منافع	723,307	660,012
نی تھخص آمدنی (دوبہی)	0.6561	0.5987

**CONDENSED INTERIM
STATEMENT OF FINANCIAL POSITION**
AS AT 31 MARCH 2019

(Un-audited)
31 March
2019

(Audited)
31 December
2018

Note

----- (Rupees in '000) -----

ASSETS

Cash and balances with treasury banks	6	22,835,167	26,019,679
Balances with other banks	7	2,145,327	1,179,612
Lendings to financial and other institutions	8	5,826,186	3,921,270
Investments	9	84,817,774	146,645,533
Advances	10	190,370,999	186,475,183
Fixed assets	11	6,331,475	6,238,673
Intangible assets	12	439,014	454,536
Deferred tax assets		-	-
Other assets	13	13,774,300	11,563,302
		326,540,242	382,497,788

LIABILITIES

Bills payable	15	3,844,150	3,993,525
Borrowings	16	27,479,675	81,962,917
Deposits and other accounts	17	258,791,136	262,378,761
Liabilities against assets subject to finance lease		-	-
Subordinated debt	18	6,995,800	6,996,400
Deferred tax liabilities	19	181,066	120,054
Other liabilities	20	11,473,457	9,057,257
		308,765,284	364,508,914

NET ASSETS

		17,774,958	17,988,874
--	--	------------	------------

REPRESENTED BY

Share capital		11,024,636	11,024,636
Reserves		2,253,888	2,109,227
Surplus on revaluation of assets	21	687,713	542,637
Unappropriated profit		3,808,721	4,312,374
		17,774,958	17,988,874

CONTINGENCIES AND COMMITMENTS

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

Mirza Zafar Baig
Chief Financial Officer

Alauddin Feerasta
Chairman

Mohammad Aftab Manzoor
President & Chief Executive Officer

Manzoor Ahmed
Director

Inam Elahi
Director

**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (UN-AUDITED)**
FOR THE QUARTER ENDED 31 MARCH 2019

	Note	2019	2018 (Restated)
		----- (Rupees in '000) -----	
Mark-up / return / interest earned	23	7,495,098	4,657,512
Mark-up / return / interest expensed	24	5,434,872	2,975,537
Net mark-up / interest income		2,060,226	1,681,975
Non mark-up / interest income			
Fee and commission income	25	455,288	410,456
Dividend income		55,493	47,197
Foreign exchange income		150,933	218,951
(Loss) / Gain on securities - net	26	(4,541)	244,353
Other income	27	8,095	8,682
Total non-markup / interest Income		665,268	929,639
Total income		2,725,494	2,611,614
Non mark-up / interest expenses			
Operating expenses	28	2,072,602	1,783,687
Workers' welfare fund		25,515	22,805
Other charges	29	3,691	-
Total non mark-up / interest expenses		2,101,808	1,806,492
Profit before provisions		623,686	805,122
(Reversals) / provisions and write offs - net	30	(577,354)	(210,681)
Extraordinary / unusual items		-	-
Profit before taxation		1,201,040	1,015,803
Taxation	31	477,733	355,791
Profit after taxation		723,307	660,012
		----- (Rupee) -----	
Basic earnings per share	32	0.6561	0.5987
Diluted earnings per share	33	0.6561	0.5987

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

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Alauddin Feerasta
Chairman

Mohammad Aftab Manzoor
President & Chief Executive Officer

Manzoor Ahmed
Director

Inam Elahi
Director

**CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**
FOR THE QUARTER ENDED 31 MARCH 2019

	2019	2018
	------(Rupees in '000)-----	
Profit after taxation for the period	723,307	660,012
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus / (deficit) on revaluation of investments - net of tax	165,240	(106,540)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement gain on defined benefit obligations - net of tax	-	-
Movement in surplus on revaluation of operating fixed assets - net of tax	-	-
	-	-
Total comprehensive income	888,547	553,472

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

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Alauddin Feerasta
Chairman

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Manzoor Ahmed
Director

Inam Elahi
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH 2019

	Share capital	Statutory reserve (a)	Surplus / (deficit) on revaluation of		Unappropriated profit	Total
			Investments	Fixed assets		
----- (Rupees in '000) -----						
Balance as at 01 January 2018	11,024,636	1,752,494	142,972	1,952,127	3,632,370	18,504,599
Comprehensive income for the period						
Profit after taxation for the quarter ended 31 March 2018	-	-	-	-	660,012	660,012
Other comprehensive income / (loss)						
- Movement in deficit on revaluation of investments - net of tax	-	-	(106,540)	-	-	(106,540)
- Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-
	-	-	(106,540)	-	660,012	553,472
Transfer to statutory reserve	-	132,002	-	-	(132,002)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	(51,913)	51,913	-
Transactions with owners recorded directly in equity						
Final cash dividend for the year ended 31 December 2017 at Re. 0.75 per share	-	-	-	-	(826,848)	(826,848)
Balance as at 01 April 2018	11,024,636	1,884,496	36,432	1,900,214	3,385,445	18,231,223
Comprehensive income for the period						
Profit after taxation for the nine months ended 31 December 2018	-	-	-	-	1,123,652	1,123,652
Other comprehensive income / (loss)						
- Movement in deficit on revaluation of investments - net of tax	-	-	(1,383,168)	-	-	(1,383,168)
- Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	17,167	17,167
	-	-	(1,383,168)	-	1,140,819	(242,349)
Transfer to statutory reserve	-	224,731	-	-	(224,731)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	(10,841)	10,841	-
Balance as at 01 January 2019	11,024,636	2,109,227	(1,346,736)	1,889,373	4,312,374	17,988,874
Comprehensive income for the period						
Profit after taxation for the quarter ended 31 March 2019	-	-	-	-	723,307	723,307
Other comprehensive income / (loss)						
- Movement in surplus on revaluation of investments - net of tax	-	-	165,240	-	-	165,240
- Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-
	-	-	165,240	-	723,307	888,547
Transfer to statutory reserve	-	144,661	-	-	(144,661)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	(20,164)	20,164	-
Transactions with owners recorded directly in equity						
Final cash dividend for the year ended 31 December 2018 at Rs. 1.00 per share	-	-	-	-	(1,102,463)	(1,102,463)
Balance as at 31 March 2019	11,024,636	2,253,888	(1,181,496)	1,869,209	3,808,721	17,774,958

(a) This represents reserve created under section 21(i)(a) of the Banking Companies Ordinance, 1962.

(b) As explained in note 10.3.3 to these condensed interim financial statements, unappropriated profit includes an amount of Rs. 1,215.122 million net of tax as at 31 March 2019 (31 December 2018: Rs. 1,107.124 million) representing additional profit arising from availing forced sales value benefit for determining provisioning requirement which is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

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

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Alauddin Feerasta
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Manzoor Ahmed
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Inam Elahi
Director

**CONDENSED INTERIM
CASH FLOW STATEMENT (UN-AUDITED)**
FOR THE QUARTER ENDED 31 MARCH 2019

Note 2019 2018
----- (Rupees in '000) -----

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation		1,201,040	1,015,803
Less: dividend income		55,493	47,197
		1,145,547	968,606
Adjustments:			
Depreciation on fixed assets		125,598	185,139
Depreciation on ijarah assets		26,002	24,841
Amortisation		41,621	22,710
(Reversals) / provisions and write offs - net	30	(577,354)	(210,681)
Gain on sale of fixed assets - net	27	(2,422)	(4,272)
Workers' welfare fund		25,515	22,805
Unrealised loss / (gain) on revaluation of investments classified as held-for-trading	26	787	(402)
		(360,253)	40,140
		785,294	1,008,746
(Increase) / decrease in operating assets			
Lendings to financial and other institutions		(1,904,916)	(1,502,394)
Held-for-trading securities		3,646,648	10,497,451
Advances		(3,344,123)	2,875,518
Others assets (excluding advance taxation)		(2,372,090)	1,135,299
		(3,974,481)	13,005,874
Increase / (decrease) in operating liabilities			
Bills payable		(149,375)	(216,165)
Borrowings from financial institutions		(54,390,614)	(13,860,899)
Deposits		(3,587,625)	(12,149,661)
Other liabilities		2,390,685	1,425,911
		(55,736,929)	(24,800,814)
Income tax paid		(299,249)	(556,869)
Net cash flow used in operating activities		(59,225,365)	(11,343,063)

CASH FLOWS FROM INVESTING ACTIVITIES

Net investments in available-for-sale securities		62,725,751	11,417,123
Net investments in held-to-maturity securities		(4,291,552)	379,496
Dividends received		10,137	32,155
Investments in operating fixed assets		(245,304)	(205,030)
Proceeds from sale of fixed assets		3,227	5,193
Net cash flow generated from investing activities		58,202,259	11,628,937

CASH FLOWS FROM FINANCING ACTIVITIES

Payments of subordinated debt		(600)	(600)
Dividend paid		(1,102,463)	(826,848)
Net cash flow used in financing activities		(1,103,063)	(827,448)

Decrease in cash and cash equivalents

Cash and cash equivalents at beginning of the period		(2,126,169)	(541,574)
Cash and cash equivalents at end of the period		26,911,493	20,305,022
		24,785,324	19,763,448

CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

Cash and balances with treasury banks	6	22,835,167	19,492,133
Balances with other banks	7	2,145,327	884,195
Overdrawn nostro accounts	16	(195,170)	(612,880)
		24,785,324	19,763,448

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

Mirza Zafar Baig
Chief Financial Officer

Alauddin Feerasta
Chairman

Mohammad Aftab Manzoor
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Manzoor Ahmed
Director

Inam Elahi
Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH 2019

1 STATUS AND NATURE OF BUSINESS

Soneri Bank Limited ("the Bank") was incorporated in Pakistan on 28 September 1991 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). Its registered office is situated at Rupali House 241-242, Upper Mall Scheme, Anand Road, Lahore, Punjab and its shares are quoted on Pakistan Stock Exchange Limited. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and operates with 295 branches including 21 Islamic banking branches (31 December 2018: 295 branches including 21 Islamic banking branches) in Pakistan. The credit rating of the Bank is disclosed in note 34 of these condensed interim financial statements.

2 BASIS OF PRESENTATION

2.1 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. 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 appropriate portion of mark-up thereon.

2.2 The financial results of all Islamic banking branches of the Bank have been consolidated in these condensed interim financial statements for reporting purposes, after eliminating material intra branch transactions / balances. The financial results of all Islamic banking branches are disclosed in note 39 to these condensed interim financial statements.

3 STATEMENT OF COMPLIANCE

3.1 These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards IFRS issued by the International Accounting Standards Board (IASB) and 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, the Companies Act, 2017 and directives issued by the 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.

3.2 The SBP, vide its BSD Circular Letter no. 10 dated 26 August 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1) / 2008 dated 28 April 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. 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 SBP through various circulars.

3.3 The SBP vide its BPRD Circular No. 04 dated 25 February 2015 has clarified that the reporting requirements of IFAS-3 for Islamic Banking Institutions (IBIs) relating to annual, half yearly and quarterly financial statements would be notified by SBP through issuance of specific instructions and uniform disclosure formats in consultation with IBIs. These reporting requirements have not been notified to date. Accordingly, the disclosure requirements under IFAS 3 have not been considered in these condensed interim financial statements.

3.4 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 22 March 2019 and the requirements of the International Accounting Standard 34, "Interim Financial Reporting". These do not include all of the information required for the full set of annual financial statements and should be read in conjunction with the financial statements of the Bank for the year ended 31 December 2018.

3.5 **Standards, interpretations and amendments to published accounting and reporting standards that are effective in the year 2019:**

As referred to in note 2.3 to the Bank's financial statements for the year ended 31 December 2018, there are certain new standards, amendments and interpretations that are effective for the annual periods beginning on or after 01 January 2019 but are either in the process of being assessed for regulatory implementation, or are considered not to be relevant having no significant effect on the Bank's operations. These have therefore not been considered or disclosed in these condensed interim financial statements.

3.6 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

There are certain new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after 01 January 2020 but are considered not to be relevant or will not have any significant effect on the Bank's operations and are therefore not detailed in these condensed interim financial statements.

4 BASIS OF MEASUREMENT

4.1 Accounting convention

These condensed interim financial statements have been prepared under the historical cost convention, except that certain operating fixed assets and non-banking assets acquired in satisfaction of claims are stated at revalued amounts less accumulated depreciation, certain investments and commitments in respect of forward exchange contracts have been marked to market and are carried at fair values and staff retirement benefits are carried at present value.

4.2 Functional and presentation currency

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 Rupee which is the Bank's functional and presentation currency.

4.3 Critical accounting estimates and judgements

The basis and the methods used for critical accounting estimates and judgements adopted in these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2018.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2018.

6 CASH AND BALANCES WITH TREASURY BANKS

	(Un-audited) 31 March 2019	(Audited) 31 December 2018
	------(Rupees in '000)-----	
In hand		
Local currency	4,914,263	4,801,197
Foreign currencies	2,268,243	3,897,197
	7,182,506	8,698,394
With State Bank of Pakistan in		
Local currency current accounts	11,231,343	11,253,545
Foreign currency current accounts	931,970	990,087
Foreign currency deposit accounts against foreign currency deposits mobilised	2,698,572	2,877,854
	14,861,885	15,121,486
With National Bank of Pakistan in		
Local currency current accounts	782,409	2,185,378
Prize bonds	8,367	14,421
	<u>22,835,167</u>	<u>26,019,679</u>

7 BALANCES WITH OTHER BANKS

In Pakistan		
In current accounts	12,026	12,022
In deposit accounts	138,689	184,908
	150,715	196,930
Outside Pakistan		
In current account	1,994,612	982,682
	<u>2,145,327</u>	<u>1,179,612</u>

8 LENDINGS TO FINANCIAL AND OTHER INSTITUTIONS

Call / clean money lendings
Repurchase agreement lendings (reverse repo)
Margin Trading System

(Un-audited) 31 March 2019
(Audited) 31 December 2018
------(Rupees in '000)-----

800,000	-
4,899,231	3,921,270
126,955	-
<u>5,826,186</u>	<u>3,921,270</u>

9 INVESTMENTS

9.1 Investments by type:

(Un-audited) 31 March 2019				(Audited) 31 December 2018			
Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
------(Rupees in '000)-----							

Held-for-trading securities

Federal Government securities	3,579,037	-	(787)	3,578,250	7,225,664	-	21	7,225,685
	3,579,037	-	(787)	3,578,250	7,225,664	-	21	7,225,685

Available-for-sale securities

Federal Government securities	67,251,802	-	(1,271,899)	65,979,903	130,337,353	-	(1,574,373)	128,762,980
Shares	4,474,452	31,844	(539,849)	3,902,759	4,471,440	31,503	(565,970)	3,873,967
Non-Government debt securities	3,368,246	-	37,120	3,405,366	3,011,459	-	117,559	3,129,018
Units of mutual funds	259,268	-	(43,058)	216,210	259,267	-	(49,118)	210,149
	75,353,768	31,844	(1,817,686)	73,504,238	138,079,519	31,503	(2,071,902)	135,976,114

Held-to-maturity securities

Federal Government securities	7,633,395	-	-	7,633,395	3,306,438	-	-	3,306,438
Non-Government debt securities	187,985	86,094	-	101,891	223,390	86,094	-	137,296
	7,821,380	86,094	-	7,735,286	3,529,828	86,094	-	3,443,734

Total investments

	86,754,185	117,938	(1,818,473)	84,817,774	148,835,011	117,597	(2,071,881)	146,645,533
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9.2 Investments by segments:

(Un-audited) 31 March 2019				(Audited) 31 December 2018			
Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
------(Rupees in '000)-----							

Federal Government securities:

Market Treasury Bills	28,308,117	-	(6,717)	28,301,400	96,248,954	-	(5,889)	96,243,065
Pakistan Investment Bonds	47,631,190	-	(1,261,540)	46,369,650	42,145,713	-	(1,561,303)	40,584,410
Bai Muajjal from Government of Pakistan (GoP)	2,139,927	-	-	2,139,927	2,074,788	-	-	2,074,788
Ijarah sukuks	385,000	-	(4,428)	380,572	400,000	-	(7,160)	392,840
	78,464,234	-	(1,272,685)	77,191,549	140,869,455	-	(1,574,352)	139,295,103

Units of mutual funds

	259,268	-	(43,058)	216,210	259,267	-	(49,118)	210,149
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Shares:

Listed companies	4,457,652	26,144	(539,849)	3,891,659	4,454,640	25,803	(565,970)	3,862,867
Un-listed companies	16,800	5,700	-	11,100	16,800	5,700	-	11,100
	4,474,452	31,844	(539,849)	3,902,759	4,471,440	31,503	(565,970)	3,873,967

Non-Government debt securities

Listed	734,762	16,269	4,115	722,608	622,794	16,269	4,096	610,621
Unlisted	2,821,469	69,825	33,004	2,784,648	2,612,055	69,825	113,463	2,655,693
	3,556,231	86,094	37,119	3,507,256	3,234,849	86,094	117,559	3,266,314

Total investments

	86,754,185	117,938	(1,818,473)	84,817,774	148,835,011	117,597	(2,071,881)	146,645,533
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(Un-audited) (Audited)
31 March 31 December
2019 2018
------(Rupees in '000)-----

9.2.1 Investments given as collateral - market value

Market Treasury Bills	4,944,630	48,850,834
Pakistan Investment Bonds	2,788,096	11,518,661
	7,732,726	60,369,495

9.3 Bai Muajjal with Government of Pakistan

Bai Muajjal investment	2,855,000	2,855,000
Less: Deferred income	(715,073)	(780,212)
Bai Muajjal investment - net	2,139,927	2,074,788

9.4 Provision for diminution in the value of investments

Opening balance	117,597	117,452
Charge for the period / year	341	145
Closing balance	117,938	117,597

9.5 Particulars of provision against debt securities

Category of classification	(Un-audited) 31 March 2019		(Audited) 31 December 2018	
	Non-Performing Investments	Provision	Non-Performing Investments	Provision
	------(Rupees in '000)-----			
Loss	86,094	86,094	86,094	86,094
Total	86,094	86,094	86,094	86,094

9.6 The market value of securities classified as held-to-maturity as at 31 March 2019 amounted to Rs. 7,504.576 million (31 December 2018 : Rs. 3,189.450 million).

9.7 Federal Government Securities include Pakistan Investment Bonds having book value of Rs. 30.700 million (31 December 2018: Rs. 30.700 million) pledged with the State Bank of Pakistan and National Bank of Pakistan to facilitate T. T. discounting facility for the branches of the Bank. Market Treasury Bills and Pakistan Investment Bonds under Federal Government Securities, are eligible for discounting with the State Bank of Pakistan.

10 ADVANCES

	Performing		Non-performing		Total	
	(Un-audited) 31 March 2019	(Audited) 31 December 2018	(Un-audited) 31 March 2019	(Audited) 31 December 2018	(Un-audited) 31 March 2019	(Audited) 31 December 2018
	------(Rupees in '000)-----					
Loans, cash credits, running finances, etc.	171,226,584	170,877,658	10,752,440	11,278,991	181,979,024	182,156,649
Islamic financing and related assets	9,483,019	8,008,498	69,214	69,059	9,552,233	8,077,557
Bills discounted and purchased	6,461,752	4,587,917	100,900	9,082	6,562,652	4,596,999
Advances - gross	187,171,355	183,474,073	10,922,554	11,357,132	198,093,909	194,831,205
Provision against advances						
- Specific	-	-	(7,681,372)	(8,314,484)	(7,681,372)	(8,314,484)
- General	(41,538)	(41,538)	-	-	(41,538)	(41,538)
	(41,538)	(41,538)	(7,681,372)	(8,314,484)	(7,722,910)	(8,356,022)
Advances - net of provision	187,129,817	183,432,535	3,241,182	3,042,648	190,370,999	186,475,183

	(Un-audited) 31 March 2019	(Audited) 31 December 2018
	------(Rupees in '000)-----	
10.1 Particulars of advances (Gross)		
In local currency	192,799,834	191,180,048
In foreign currencies	5,294,075	3,651,157
	<u>198,093,909</u>	<u>194,831,205</u>

- 10.2** Advances include Rs.10,922.554 million (31 December 2018 Rs. 11,357.132 million) which have been placed under non-performing status as detailed below:

Category of Classification	Note	(Un-audited) 31 March 2019		(Audited) 31 December 2018	
		Non-performing loans	Provision	Non-performing loans	Provision
		----- (Rupees in '000) -----			
Other Assets Especially Mentioned	10.2.1	88,965	-	45,674	1,418
Substandard		591,711	41,826	550,195	27,568
Doubtful		1,598,163	355,291	1,672,610	436,068
Loss		8,643,715	7,284,255	9,088,653	7,849,430
		<u>10,922,554</u>	<u>7,681,372</u>	<u>11,357,132</u>	<u>8,314,484</u>

- 10.2.1** The 'Other Assets Especially Mentioned' category pertains to agriculture finance, small enterprise finance and consumer finance amounting to Rs. 31.483 million (31 December 2018: Rs. 14.456 million), Rs. 24.733 million (31 December 2018: Rs. 14.179 million) and Rs. 32.749 million (31 December 2018: Rs.17.039 million) respectively.

10.3 Particulars of provision against advances

	(Un-audited) 31 March 2019			(Audited) 31 December 2018		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	8,314,484	41,538	8,356,022	8,440,840	38,675	8,479,515
Charge for the period / year	351,962	-	351,962	899,550	2,863	902,413
Reversals	(929,856)	-	(929,856)	(988,162)	-	(988,162)
	(577,894)	-	(577,894)	(88,612)	2,863	(85,749)
Amounts written off	(55,218)	-	(55,218)	(37,744)	-	(37,744)
Transfers	-	-	-	-	-	-
Closing balance	<u>7,681,372</u>	<u>41,538</u>	<u>7,722,910</u>	<u>8,314,484</u>	<u>41,538</u>	<u>8,356,022</u>

- 10.3.1** The general provision against consumer financing is required to be maintained at varying percentages based on the non-performing loan ratio present in the portfolio. These percentages range from 1% to 2.5% for secured and 4% to 7% for unsecured portfolio.

- 10.3.2** The Bank has maintained general provision against housing finance portfolio at the rate of 0.50% of the performing portfolio. The State Bank of Pakistan vide its circular no. 9 of 2017 dated 22 December 2017 abolished the requirement of maintaining general reserve of 1% against secured Small Enterprise (SE) portfolio, while general reserve to be maintained against unsecured SE portfolio has been reduced from 2% to 1%. Currently, the Bank does not have any unsecured SE portfolio.

- 10.3.3** The Bank has availed the benefit of forced sales value of pledged stocks, mortgaged residential and commercial properties held as collateral against non-performing advances as allowed under the Prudential Regulations issued by the State Bank of Pakistan. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs.1,869.419 million (31 December 2018: Rs. 1,703.268 million). The additional profit arising from availing this benefit - net of the tax amounts to Rs. 1,215.122 million (31 December 2018: Rs. 1,107.124 million). This profit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.
- 10.3.4** The SBP has granted relaxation in provisioning requirements in respect of exposures in Dewan Mushtaq Group (DMG). Had this relaxation not been available, provision against loans and advances would have been higher by Rs. 44.930 million (31 December 2018: Rs. 44.930 million).
- 10.3.5** The Bank has made provision against its non-performing portfolio as per the category of classification of the loans. However, the Bank still holds enforceable collateral realisable through litigation. This enforceable collateral includes mortgage charge etc. against various tangible assets of the borrower including land, building and machinery, stock in trade, etc.

		(Un-audited) 31 March 2019	(Audited) 31 December 2018
	Note	------(Rupees in '000)-----	
11	FIXED ASSETS		
Capital work-in-progress	11.1	272,641	155,841
Property and equipment		6,058,834	6,082,832
		<u>6,331,475</u>	<u>6,238,673</u>

11.1 Capital work-in-progress

Civil works	121,935	87,397
Advances to suppliers and contractors	142,007	63,782
Advances against purchase of premises	4,000	-
Consultant's fee and other charges	4,699	4,662
	<u>272,641</u>	<u>155,841</u>

	(Un-audited) 31 March 2019	(Un-audited) 31 March 2018
	------(Rupees in '000)-----	
11.2 Additions to Fixed Assets		

The following additions have been made to operating fixed assets during the period:

Capital work-in-progress	116,800	112,875
Freehold land	-	-
Leasehold land	-	-
Building on freehold land	1,516	-
Building on leasehold land	244	2,946
Leasehold improvements	17,521	12,730
Furniture and fixture	4,870	4,338
Electrical office and computer equipment	72,706	66,753
Vehicles	5,550	3,873
	<u>102,407</u>	<u>90,640</u>
Total	<u>219,207</u>	<u>203,515</u>

11.3 Disposal of fixed assets

The net book value of operating fixed assets disposed off during the period is as follows:

Freehold land	
Leasehold land	
Building on freehold land	
Building on leasehold land	283
Furniture and fixture	7
Electrical office and computer equipment	515
Vehicles	-
Total	805

(Un-audited) 31 March 2019
(Un-audited) 31 March 2018
------(Rupees in '000)-----

-	-
-	-
-	-
283	-
7	70
515	851
-	-
805	921

12 INTANGIBLE ASSETS

Computer Software	
Trademark	

(Un-audited) 31 March 2019
(Audited) 31 December 2018
------(Rupees in '000)-----

438,545	454,129
469	407
439,014	454,536

12.1 Additions to intangible assets

The following additions have been made to intangible assets during the period:

Developed internally	
Directly purchased	
Through business combinations	
Total	

-	-
26,097	1,515
-	-
26,097	1,515

12.2 Disposals of intangible assets

There were no disposals in intangible assets during the current and prior period.

13 OTHER ASSETS

Note
(Un-audited) 31 March 2019
(Audited) 31 December 2018
------(Rupees in '000)-----

Income / mark-up accrued in local currency	5,297,043	4,239,379
Income / mark-up accrued in foreign currencies	3,002	1,629
Dividend receivable	53,067	7,700
Advances, deposits, advance rent and other prepayments	496,544	369,791
Advance taxation (payments less provisions)	1,203,984	1,410,432
Non-banking assets acquired in satisfaction of claims	781,662	76,027
Branch adjustment account	31,574	9,548
Mark to market gain on forward foreign exchange contracts	-	335,045
Stationery and stamps in hand	41,498	38,945
Due from the State Bank of Pakistan	222,435	194,330
Advance against subscription of shares	50,000	50,000
Advance against subscription of term finance certificates	-	125,000
Acceptances	5,476,285	4,489,160
Others	273,283	372,393
Less: provision held against other assets	(156,077)	(156,077)
Total	13,774,300	11,563,302

- 13.1** This includes an amount of Rs. 143.443 million (31 December 2018: Rs.143.443 million) in respect of fraud and forgery claims relating to cash embezzlement made in the Bank. The Bank has initiated legal proceedings against the alleged and has also taken necessary steps to further strengthen its internal control system.

	(Un-audited) 31 March 2019	(Audited) 31 December 2018
	------(Rupees in '000)-----	
13.2 Provision held against other assets		
Provision held against receivable against fraud & forgeries	143,443	143,443
Others	12,634	12,634
	<u>156,077</u>	<u>156,077</u>
13.2.1 Movement in provision held against other assets		
Opening balance	156,077	156,077
Charge / (reversals) for the period / year	-	-
Closing balance	<u>156,077</u>	<u>156,077</u>

14 CONTINGENT ASSETS

There were no contingent assets as at the balance sheet date.

15 BILLS PAYABLE

In Pakistan	3,844,150	3,993,525
Outside Pakistan	-	-
	<u>3,844,150</u>	<u>3,993,525</u>

16 BORROWINGS

Secured

Borrowings from State Bank of Pakistan		
Under export refinance scheme	11,114,674	11,322,048
Long term financing facility for plant and machinery	1,495,386	1,139,389
Modernisation of SME-Rice Husking	13,920	15,810
Repurchase agreement borrowings	-	44,865,048
	<u>12,623,980</u>	<u>57,342,295</u>
Repurchase agreement borrowings - other banks	4,938,455	3,931,220
Borrowings from other financial institutions - local	2,837,060	11,860,880
Borrowings from other financial institutions - foreign	4,321,964	7,519,499
Total secured	<u>24,721,459</u>	<u>80,653,894</u>

Unsecured

Call borrowings	2,563,046	1,021,225
Overdrawn nostro accounts	195,170	287,798
Total unsecured	<u>2,758,216</u>	<u>1,309,023</u>
	<u>27,479,675</u>	<u>81,962,917</u>

16.1 Particulars of borrowings with respect to currencies

In local currency	22,962,541	74,155,620
In foreign currencies	4,517,134	7,807,297
	<u>27,479,675</u>	<u>81,962,917</u>

17 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) 31 March 2019			(Audited) 31 December 2018		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
Customers						
Current deposits	56,056,476	6,293,310	62,349,786	54,008,141	5,908,167	59,916,308
Savings deposits	76,700,120	5,736,314	82,436,434	73,435,215	6,325,280	79,760,495
Term deposits	79,668,068	5,154,538	84,822,606	89,046,247	1,183,916	90,230,163
Others	5,554,213	-	5,554,213	5,158,255	-	5,158,255
	217,978,877	17,184,162	235,163,039	221,647,858	13,417,363	235,065,221
Financial Institutions						
Current deposits	788,345	281,334	1,069,679	854,351	274,092	1,128,443
Savings deposits	14,575,377	-	14,575,377	13,440,369	-	13,440,369
Term deposits	7,983,041	-	7,983,041	12,744,728	-	12,744,728
	23,346,763	281,334	23,628,097	27,039,448	274,092	27,313,540
	241,325,640	17,465,496	258,791,136	248,687,306	13,691,455	262,378,761

17.1 Deposits eligible under Insurance arrangements

This includes deposits eligible to be covered under the State Bank of Pakistan's Depositor Protection Scheme. The amount of eligible deposits worked out based on the Audited Financial position of the Bank as at 31 December 2018 amounts to Rs. 106,280 million.

	Note	(Un-audited) 31 March 2019	(Audited) 31 December 2018
		----- (Rupees in '000) -----	
Listed Term Finance Certificates - Additional Tier I	18.1	4,000,000	4,000,000
Listed Term Finance Certificates - Tier II	18.2	2,995,800	2,996,400
		<u>6,995,800</u>	<u>6,996,400</u>

18.1 Listed Term Finance Certificates - Additional Tier I

This denotes rated, listed and unsecured Term Finance Certificates (TFCs) issued as instrument of redeemable capital of Rs. 4,000 Million issued under Section 66 of the Companies Act, 2017. The funds raised by the Bank through the issuance of these TFCs have contributed towards the Bank's Additional Tier 1 Capital for meeting capital adequacy requirements as per Basel III Guidelines set by SBP under BPRD Circular No. 6 dated 15 August 2013. The instrument is sub-ordinated as to the payment of principal and profit to all other indebtedness of the Bank (including the listed term finance certificates - Tier II previously issued by the Bank) and is not redeemable before maturity without prior approval of SBP. Furthermore, these funds are intended to be utilized for the Bank's ongoing business operations in accordance with the Bank's Memorandum and Articles of Association. The key features of the issue are as follows:

Issue amount	Rs. 4,000 million
Issue date	06 December 2018
Maturity date	Perpetual
Rating (Note 34)	"A" by PACRA on 20 December 2018
Security	Unsecured
Profit payment frequency	Semi-annually
Redemption	No fixed or final redemption date
Mark-up	6 Months KIBOR + 2.00% per annum

Call option (if any)	The Bank may call the TFCs (either partially or in full), after five (5) years from the date of issuance with the prior approval of SBP. Moreover, and as per Clause iv(b) of Annexure 2 of the Basel III Circular, the Issuer shall not exercise a call option unless the called instrument is replaced with capital of same or better quality. The Call must be subject to a prior notice of not less than 60 days given by SNBL to the investors. The Call Option once announced will not be revocable.
Lock-in-clause (if any)	The TFCs contain a lock-in clause which stipulates that no profit payments would be made if such payments result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Requirement (CAR) or increase any existing shortfalls in MCR and / or CAR.
Loss absorbency clause	The TFCs are also subject to loss absorbency and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rule, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC Holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFC' divided by market value per share of the Bank's common equity on the date of trigger of the non-viability event as declared by SBP, subject to a cap of 360,000,000 shares.

18.2 Listed Term Finance Certificates - Tier II

This denotes rated, listed and unsecured Term Finance Certificates (TFCs) issued as instrument of redeemable capital with a tenor of 8 years. The instrument is sub-ordinated as to the payment of principal and profit to all other indebtedness of the Bank, except Listed Term Finance Certificates - Additional Tier I as recently issued; and is not redeemable before maturity without prior approval of SBP. The key features of the issue are as follows:

Issue amount	Rs. 3,000 million
Issue date	07 July 2015
Maturity date	07 July 2023
Rating (Note 34)	"A+" by PACRA on 20 December 2018
Security	Unsecured
Profit payment frequency	Semi-annually
Redemption	Principal is redeemable semi-annually in such a way that 0.30% of the principal will be redeemed in the first 90 months and the remaining principal of 99.70% at maturity at the end of the 96th month in July 2023.
Mark-up	6 Months KIBOR + 1.35% per annum
Call option (if any)	The Bank may call the TFCs, in part or full, on any profit payment date from the 60th month from last day of public subscription and on all subsequent profit payment dates, subject to SBP's approval and not less than 45 days prior notice being given to the Trustee.
Lock-in-clause (if any)	The TFCs contains a lock-in clause which stipulates that neither interest nor principal may be paid (even at maturity) if such payments will result in shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Requirement (CAR) or increase any existing shortfall in MCR and CAR.
Loss absorbency clause	The instrument will be subject to loss absorbency and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rule, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC Holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFC' divided by market value per share of the Bank's common equity on the date of trigger of the non-viability event as declared by SBP, subject to the cap of 225,000,000 shares.

19 DEFERRED TAX LIABILITIES

Deductible temporary differences on

- Post retirement employee benefits
- Deficit on revaluation of investments
- Provision against advances, off balance sheet etc.

Taxable temporary differences on

- Surplus on revaluation of fixed assets
- Accelerated tax depreciation

(Un-audited) 31 March 2019			
At 1 January 2019	Recognised in the profit and loss account	Recognised in Other Comprehensive Income	At 31 March 2019
----- (Rupees in '000) -----			
(13,941)	-	-	(13,941)
(725,166)	-	88,976	(636,190)
(193,973)	(4,494)	-	(198,467)
(933,080)	(4,494)	88,976	(848,598)
683,807	(10,858)	-	672,949
369,327	(12,612)	-	356,715
1,053,134	(23,470)	-	1,029,664
120,054	(27,964)	88,976	181,066

(Audited)

31 December 2018

At 1 January 2018	Recognised in the profit and loss account	Recognised in Other Comprehensive Income	At 31 December 2018
----- (Rupees in '000) -----			
(23,185)	-	9,244	(13,941)
76,984	-	(802,150)	(725,166)
(192,567)	(1,406)	-	(193,973)
(138,768)	(1,406)	(792,906)	(933,080)
717,598	(33,791)	-	683,807
356,881	12,446	-	369,327
1,074,479	(21,345)	-	1,053,134
935,711	(22,751)	(792,906)	120,054

20 OTHER LIABILITIES

Mark-up / return / interest payable in local currency
Mark-up / return / interest payable in foreign currencies
Unearned commission and income on bills discounted
Accrued expenses
Acceptances
Unclaimed dividends
Dividends payable
Mark to market loss on forward foreign exchange contracts
Payable to workers' welfare fund
Sundry deposits
Others

Note
(Un-audited) 31 March 2019
(Audited) 31 December 2018
----- (Rupees in '000) -----

2,362,756	2,528,112
106,122	83,810
77,083	64,409
612,990	476,078
5,476,285	4,489,160
54,325	55,079
1,102,463	-
232,653	-
406,293	380,778
507,558	511,533
534,929	468,298
11,473,457	9,057,257

21 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

Surplus / (deficit) on revaluation of

- Available-for-sale securities
- Fixed assets

Deferred tax on surplus / (deficit) on revaluation of:

- Available-for-sale securities
- Fixed assets

9.1	(1,817,686)	(2,071,902)
21.1	2,542,158	2,573,180
	724,472	501,278
21.1	636,190	725,166
	(672,949)	(683,807)
	(36,759)	41,359
	687,713	542,637

	Note	(Un-audited) 31 March 2019 ----- (Rupees in '000) -----	(Audited) 31 December 2018
21.1 Surplus on revaluation of fixed assets			
Surplus on revaluation of fixed assets as at 01 January		2,573,180	2,669,725
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year - net of deferred tax		(20,164)	(62,754)
Related deferred tax liability on incremental depreciation charged during the period / year		(10,858)	(33,791)
Surplus on revaluation of fixed assets as at 31 March		2,542,158	2,573,180
Less: related deferred tax liability on:			
- revaluation as at 01 January		(683,807)	(717,598)
- incremental depreciation charged during the period / year		10,858	33,791
		(672,949)	(683,807)
		1,869,209	1,889,373
22 CONTINGENCIES AND COMMITMENTS			
-Guarantees	22.1	16,017,285	17,619,705
-Commitments	22.2	219,814,050	180,624,314
-Other contingent liabilities	22.3	2,430,074	2,278,386
		238,261,409	200,522,405
22.1 Guarantees:			
Financial guarantees		2,465,340	2,413,133
Performance guarantees		12,317,937	13,536,585
Other guarantees		1,234,008	1,669,987
		16,017,285	17,619,705
22.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		24,581,770	23,117,645
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	192,840,984	152,359,696
- forward lending	22.2.2	2,330,972	3,056,954
Commitments for acquisition of:			
- operating fixed assets		45,119	81,102
- intangible assets		15,205	39,971
Other commitments	22.2.3	-	1,968,946
		219,814,050	180,624,314
22.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		101,131,475	80,729,599
Sale		91,709,509	71,630,097
		192,840,984	152,359,696
The maturities of the above contracts are spread over a period of one year.			
22.2.2 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.2.1	2,330,972	3,056,954
22.2.2.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. The Bank has certain other commitments to extend credit that represent revocable commitments and do not attract any significant penalty or expense in case the facility is withdrawn unilaterally.			

(Un-audited) 31 March 2019	(Audited) 31 December 2018
----- (Rupees in '000) -----	

22.2.3 Commitment in respect of government securities

-	1,968,946
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22.3 Other contingent liabilities

2,430,074	2,278,386
-----------	-----------

22.3.1 (a) The Income tax returns of the Bank have been filed upto Tax Year 2018 (accounting year ended 31 December 2017). The Income tax authorities have issued amended assessment orders for tax years 2011, 2015 & 2016 thereby creating additional tax demands of Rs. 210.718 million which have been paid as required under the law. The Bank has filed appeals before various appellate forums against these amendments. Assessments from Tax Year 2001 upto Tax Year 2010 have been decided at the level of Appellate Tribunal Inland Revenue. The department has filed tax references in respect of certain matters with the Honourable Lahore High Court which are currently pending. In case of any adverse decision an additional tax liability of Rs. 617.120 million (which includes impact of certain timing differences as well) may arise. Further, assessments for tax years 2012, 2013, 2014 and 2017 have been decided at the level of Commissioner Inland Revenue (Appeals). The department has filed appeals for tax years 2012 and 2013 with Appellate Tribunal Inland Revenue which are currently pending and in case of any adverse decision an additional tax liability of Rs. 866.384 million (which include impact of certain timing differences as well) may arise. The Bank has decided to file appeal for Tax Year 2014 and 2017 with Appellate Tribunal Inland Revenue which in case of any adverse decision may create an additional tax liability of Rs. 100.049 million. However, the management is confident that these matters will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability on these account.

(b) Tax Authorities have passed orders for Tax Years 2008 to 2012 levying Federal Excise Duty on certain items. The Bank has filed appeals against these assessments which are pending before various appellate forums. The aggregate net amount involved is Rs. 64.571 million. The management of the Bank is confident that the appeals will be decided in the favor of the Bank.

(c) Tax Authorities have passed order for Tax Years 2014 and 2015 under section 161/205 of the Income Tax Ordinance 2001, creating a demand of Rs. 106.685 million and Rs. 67.672 million respectively for non-deduction of tax at source. Against the said demands, the Bank has already filed appeals before the Commissioner Inland Revenue (Appeals), which are currently pending. However, the management is confident that these matters will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability on these account.

(d) Punjab Revenue Authority has passed order for Tax Year 2015 under section 14 and 19 of the Punjab Sales Tax on Services Act, 2012, creating a demand of Rs. 144.688 million on non-deduction of Withholding tax. Against the said demand, the Bank has filed appeal before the Commissioner Inland Revenue (Appeals), which is currently pending.

22.3.2 Claims against the Bank which are not acknowledged as debts amounted to Rs. 9.992 million (31 December 2018: Rs. 9.760 million).

22.3.3 The Assistant Commissioner, Inland Revenue vide orders under section 182/140 of the Income Tax Ordinance, 2001 and has levied penalties against staff of the Bank amounting to Rs. 30 million. The action taken by the Bank in this case was backed by legal opinion of the customer's lawyer / stay order of the Islamabad High Court. Currently, the matter is pending before Commissioner Inland Revenue (Appeals) subsequent to appeal filed by the staff. In case of any adverse decision in appeals, the Bank reserves the right of recourse on customers for re-imbursement. However, the management is confident that these matters will be ultimately decided in favor of the Bank and the Bank may not be exposed to any additional tax liability on these account.

22.3.4 A penalty of Rs. 50 million has been imposed by the Competition Commission of Pakistan ("the Commission") on the Bank on account of uncompetitive behaviour and imposing uniform cost on cash withdrawal from ATM transactions. The Bank along with other Banks had filed a constitutional petition before the Competition Appellate Tribunal which has set aside the order of the Commission. Against the said order of the Competition Appellate Tribunal, the Commission has filed an appeal before the Supreme Court of Pakistan, the hearing of which is currently pending. The management of the Bank is confident that the appeal will be decided in the favor of the Bank.

22.3.5 Through the Finance Act, 2008 an amendment was made in the Employees Old Age Benefits Act, 1976 whereby the exemption available to banks and their employees was withdrawn by omission of clause (e) of Section 47 of the said Act and banks and their employees were made liable for contribution to Employee Old Age Benefit Institution. The Lahore High Court, subsequently, nullified the amendments made through the Finance Act, 2008.

Subsequently, several other banks also filed the Constitutional Petition before the Sindh High Court which decided the matter in favor of the banks. As a result of the decision of the Lahore High Court and Sindh High Court, the Bank stopped EOBI contribution w.e.f. February 2012. An appeal was filed by the EOBI in the Supreme Court of Pakistan which has been disposed of by the Honorable Court vide its order dated 10 November 2016 in favor of the Banks. However, EOBI has filed review Petition on 09 December 2016 before the Supreme Court of Pakistan which is currently pending.

In case of any adverse decision by the Supreme Court of Pakistan, a contribution of Rs.162.195 million (upto 31 December 2018: Rs. 155.426 million) will become payable by the Bank to the EOBI. The said amount of Rs. 162.195 million has not been provided in these financial statements as the Bank is confident that the case may be decided in the Bank's favour.

	Note	(Un-audited) 31 March 2019	(Un-audited) 31 March 2018
		----- (Rupees in '000) -----	
23 MARK-UP / RETURN / INTEREST EARNED			
Loans and advances		5,013,929	2,677,659
Investments		2,354,832	1,838,529
Lendings to financial institutions		81,354	19,802
Balances with banks		14,578	3,912
On placement and call lendings		30,405	95,208
Income on bai muajjal placements		-	22,402
		<u>7,495,098</u>	<u>4,657,512</u>
		(Un-audited) 31 March 2019	(Un-audited) 31 March 2018 (Restated)
		----- (Rupees in '000) -----	
24 MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		4,444,986	2,065,651
Borrowings		718,635	800,417
Subordinated debt		211,081	55,760
Cost of foreign currency swaps against foreign currency deposits / borrowings		60,170	53,709
		<u>5,434,872</u>	<u>2,975,537</u>
25 FEE & COMMISSION INCOME			
Branch banking customer fees		105,097	102,450
Consumer finance related fees		9,673	8,413
Debit card related fees		14,021	11,747
Credit related fees		18,620	5,764
Investment banking / arrangement fees		36,995	27,593
Commission on trade		155,114	133,013
Commission on guarantees		17,585	25,858
Commission on cash management		2,067	3,346
Commission on remittances including home remittances		4,062	3,787
Commission on bancassurance		33,044	43,511
Rebate income		53,724	33,761
Others		5,286	11,213
		<u>455,288</u>	<u>410,456</u>
26 (LOSS) / GAIN ON SECURITIES - NET			
Realised	26.1	(3,754)	243,951
Unrealised - held for trading	9.1	(787)	402
		<u>(4,541)</u>	<u>244,353</u>

	Note	(Un-audited) 31 March 2019	(Un-audited) 31 March 2018
		----- (Rupees in '000) -----	
26.1 Realised (loss) / gain on:			
Federal Government securities		(5,088)	194,140
Shares		1,334	49,811
		<u>(3,754)</u>	<u>243,951</u>
27 OTHER INCOME			
Gain on sale of fixed assets-net		2,422	4,272
Staff notice period and other recoveries		5,673	4,410
		<u>8,095</u>	<u>8,682</u>
28 OPERATING EXPENSES			
Total compensation expense		838,008	731,563
Property expense			
Rent & taxes		222,162	168,406
Insurance		5,210	5,810
Utilities cost		61,467	48,428
Security (including guards)		75,421	73,200
Repair & maintenance (including janitorial charges)		57,140	51,051
Depreciation		46,960	112,082
		<u>468,360</u>	<u>458,977</u>
Information technology expenses			
Software maintenance		60,847	42,182
Hardware maintenance		15,465	3,467
Depreciation		35,989	27,415
Amortisation		41,621	22,710
Network charges		58,548	49,129
Others		41,475	21,538
		<u>253,945</u>	<u>166,441</u>
Other operating expenses			
Directors' fees and allowances		4,563	2,750
Fees and allowances to Shariah Board		1,275	1,200
Legal & professional charges		18,092	9,167
Outsourced services costs	28.1	33,823	37,670
Travelling & conveyance		11,271	14,825
NIFT clearing charges		8,293	10,292
Depreciation		42,649	45,642
Training & development		2,346	2,837
Postage & courier charges		15,892	14,880
Communication		13,240	14,731
Stationery & printing		46,360	40,308
Marketing, advertisement & publicity		26,696	29,654
Donations		5,000	5,000
Auditors' Remuneration		2,193	2,665
Brokerage and commission		4,178	3,648
Entertainment		46,348	40,981
Fees and subscription		16,150	10,863
Motor vehicles running expenses		44,272	38,936
Service charges		26,996	20,286
Insurance		22,914	14,284
Repair & maintenance		38,147	24,074
Deposit protection insurance premium	28.2	42,512	-
Others		39,079	42,013
		<u>512,289</u>	<u>426,706</u>
		<u>2,072,602</u>	<u>1,783,687</u>

28.1 Total Cost for the period relating to outsourcing activities included in other operating expenses and property expenses is Rs. 151.044 million (2018: Rs. 148.996 million) being paid to companies incorporated in Pakistan.

- 28.2** This represents the insurance premium paid to the State Bank of Pakistan's Depositors Protection Corporation (DPC) during the quarter. The premium amount was worked out in accordance with the mechanism specified by DPC, based on eligible deposits position of the Bank as at 31 December 2018.

	Note	(Un-audited) 31 March 2019	(Un-audited) 31 March 2018 (Restated)
----- (Rupees in '000) -----			
29 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		3,691	-
		<u>3,691</u>	<u>-</u>
30 (REVERSALS) / PROVISIONS & WRITE OFFS - NET			
Provisions for diminution in the value of investments		341	-
(Reversals) / provisions against loans & advances	10.3	(577,894)	(210,681)
Fixed assets written off		-	-
Unreconciled balances written off		-	-
Bad debts written off directly		199	-
		<u>(577,354)</u>	<u>(210,681)</u>
----- (Rupees in '000) -----			
31 TAXATION			
Current		447,392	389,391
Prior years		58,305	-
Deferred		(27,964)	(33,600)
		<u>477,733</u>	<u>355,791</u>
32 BASIC EARNINGS PER SHARE			
Profit for the period		<u>723,307</u>	<u>660,012</u>
----- (Number of shares) -----			
Weighted average number of ordinary shares		<u>1,102,463,483</u>	<u>1,102,463,483</u>
----- (Rupee) -----			
Basic earnings per share		<u>0.6561</u>	<u>0.5987</u>
33 DILUTED EARNINGS PER SHARE			
Profit for the period		<u>723,307</u>	<u>660,012</u>
----- (Number of shares) -----			
Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)		<u>1,102,463,483</u>	<u>1,102,463,483</u>
----- (Rupee) -----			
Diluted earnings per share		<u>0.6561</u>	<u>0.5987</u>

34 CREDIT RATING

The Pakistan Credit Rating Agency (PACRA) has maintained the long term credit rating of 'AA-' (Double A Minus) and short term rating of 'A1+' (A One Plus) with Stable Outlook of the Bank through its notification dated 20 December 2018 [2017: long term 'AA-' (Double A Minus): short term 'A1+' (A One Plus)]

PACRA has also maintained the credit rating of the Bank's unsecured, subordinated and listed Term Finance Certificates (TFC – 2) issue of Rs. 3,000 million at 'A+' (Single A plus) with Stable Outlook through its notification dated 20 December 2018.

Furthermore the Bank's unsecured, subordinated, rated, listed, perpetual and non-cumulative Term Finance Certificates of Rs. 4,000 million as issued last year, were assigned a rating of 'A' with Stable Outlook by PACRA through its notification dated 20 December 2018.

35 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, 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 debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings 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.

35.1 Fair value of financial assets

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 financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	31 March 2019 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	69,558,153	-	69,558,153
Shares - listed	3,891,659	-	-	3,891,659
Non-Government debt securities	-	3,405,366	-	3,405,366
Units of mutual fund	216,210	-	-	216,210
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government securities	-	7,401,612	-	7,401,612
Non-Government debt securities	-	102,964	-	102,964
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	102,725,974	-	102,725,974
Forward sale of foreign exchange	-	93,536,662	-	93,536,662
Non - Financial assets				
Operating fixed assets (land and buildings)	-	-	4,119,993	4,119,993
	<u>4,107,869</u>	<u>276,730,731</u>	<u>4,119,993</u>	<u>284,958,593</u>

31 December 2018 (Audited)				
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	135,988,665	-	135,988,665
Shares	3,862,867	-	-	3,862,867
Non-Government debt securities	-	3,129,018	-	3,129,018
Units of mutual fund	210,149	-	-	210,149
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government securities	-	3,050,630	-	3,050,630
Non-Government debt securities	-	138,820	-	138,820
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	83,572,972	-	83,572,972
Forward sale of foreign exchange	-	74,138,425	-	74,138,425
Non - Financial assets				
Operating fixed assets (land and buildings)	-	-	4,148,354	4,148,354
	4,073,016	300,018,530	4,148,354	308,239,900

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

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares and units of mutual funds.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of GoP Ijarah Sukuks, Pakistan Investment bonds, Market Treasury bills, Corporate bonds, Term Finance and Sukuk certificates.

(c) Financial instruments in level 3

Financial instruments included in level 3 comprise of operating fixed assets (land and building).

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 stock exchange.
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV rates (Reuters page).
Government of Pakistan - Ijarah Sukuks	Fair values of GoP 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 nine different pre-defined / approved dealers / brokers.

Item	Valuation techniques and input used
Term Finance, Bonds and Sukuk certificates	Investments in debt securities (comprising term finance certificates, bonds, sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities.
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices as at the close of the business day.
Operating fixed assets (land and building)	Land and buildings are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with reasonable certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these condensed interim financial statements.

36 SEGMENT INFORMATION

36.1 Segment details with respect to business activities

Profit and loss

Net mark-up / return / profit	(2,240,569)	2,726,507	149,171	1,626,794	(201,677)	2,060,226
Inter segment revenue - net	3,593,500	(2,245,479)	-	(1,811,373)	463,352	-
Non mark-up / return / interest income	369,353	99,497	25,220	259,765	(88,567)	665,268
Total income	1,722,284	580,525	174,391	75,186	173,108	2,725,494
Segment direct expenses	1,191,161	43,413	87,338	29,457	750,439	2,101,808
Inter segment expense allocation	51,264	833	3,018	249	(55,364)	-
Total expenses	1,242,425	44,246	90,356	29,706	695,075	2,101,808
(Reversal) / Provisions	(860,459)	283,066	39	-	-	(577,354)
Profit before tax	1,340,318	253,213	83,996	45,480	(521,967)	1,201,040

Balance sheet

Cash & bank balances	19,802,403	2,069,833	1,436,640	1,671,618	-	24,980,494
Investments	-	39,772	5,276,305	79,501,697	-	84,817,774
Net inter segment lending	152,125,616	-	-	(173,303,930)	21,178,314	-
Lendings to financial and other institutions	-	-	-	5,826,186	-	5,826,186
Advances - performing	56,080,881	121,565,917	9,483,019	-	-	187,129,817
- non-performing	2,264,759	935,530	40,893	-	-	3,241,182
Others	2,918,848	3,273,588	524,243	2,347,844	11,480,266	20,544,789
Total assets	233,192,507	127,884,640	16,761,100	(83,956,585)	32,658,580	326,540,242
Borrowings	7,940,649	4,425,752	257,579	14,855,695	-	27,479,675
Subordinated debt	-	-	-	-	6,995,800	6,995,800
Deposits & other accounts	220,956,644	23,816,160	14,018,332	-	-	258,791,136
Net inter segment borrowing	-	97,700,783	1,656,636	(99,357,419)	-	-
Others	4,295,214	1,941,945	828,553	545,139	7,887,822	15,498,673
Total liabilities	233,192,507	127,884,640	16,761,100	(83,956,585)	14,883,622	308,765,284
Equity	-	-	-	-	17,774,958	17,774,958
Total equity & liabilities	233,192,507	127,884,640	16,761,100	(83,956,585)	32,658,580	326,540,242

----- 31 March 2019 (Un-audited) -----					
Retail Banking	Corporate	Islamic	Trading and Sales	Others	Total
----- (Rupees in '000) -----					
Contingencies & commitments					
In respect of letter of credit / guarantees	24,864,323	14,545,898	1,188,834	-	40,599,055
In respect of forward foreign exchange contracts	-	-	-	192,840,984	192,840,984
In respect of forward lendings	-	2,330,972	-	-	2,330,972
In respect of fixed assets	-	-	-	60,324	60,324
In respect of other contingencies	-	-	-	2,430,074	2,430,074
Total	24,864,323	16,876,870	1,188,834	2,490,398	238,261,409

----- 31 March 2018 (Un-audited) -----					
Retail Banking	Corporate	Islamic	Trading and Sales	Others	Total
----- (Rupees in '000) -----					
Profit and loss					
Net mark-up / return / profit	(756,632)	1,365,544	95,905	1,035,397	1,681,975
Inter segment revenue - net	1,887,627	(1,133,810)	-	(1,000,116)	-
Non mark-up / return / interest income	320,313	74,806	15,276	548,756	929,639
Total income	1,451,308	306,540	111,181	584,037	2,611,614
Segment direct expenses	1,093,949	50,027	73,721	28,215	1,806,492
Inter segment expense allocation	38,620	709	2,307	186	-
Total expenses	1,132,569	50,736	76,028	28,401	1,806,492
(Reversal) / Provisions	(316,788)	106,107	-	-	(210,681)
Profit before tax	635,527	149,697	35,153	555,636	1,015,803

----- 31 December 2018 (Audited) -----					
Retail Banking	Corporate	Islamic	Trading and Sales	Others	Total
----- (Rupees in '000) -----					
Balance Sheet					
Cash & bank balances	22,442,221	2,875,362	1,218,456	663,252	27,199,291
Investments	-	67,917	5,147,722	141,429,894	146,645,533
Net inter segment lending	149,540,306	-	-	(169,707,300)	-
Lendings to financial and other institutions	-	-	-	3,921,270	3,921,270
Advances - performing	59,853,312	115,614,636	7,964,587	-	183,432,535
- non-performing	2,338,789	663,082	40,777	-	3,042,648
Others	2,735,342	2,348,155	398,221	2,200,310	18,256,511
Total assets	236,909,970	121,569,152	14,769,763	(21,492,574)	382,497,788
Borrowings	7,555,688	4,593,322	328,236	69,485,671	81,962,917
Subordinated debt	-	-	-	6,996,400	6,996,400
Deposits & other accounts	224,726,717	25,414,862	12,237,182	-	262,378,761
Net inter segment borrowing	-	89,882,741	1,779,538	(91,662,279)	-
Others	4,627,565	1,678,227	424,807	684,034	13,170,836
Total liabilities	236,909,970	121,569,152	14,769,763	(21,492,574)	364,508,914
Equity	-	-	-	17,988,874	17,988,874
Total equity & liabilities	236,909,970	121,569,152	14,769,763	30,741,477	382,497,788

Contingencies & Commitments					
In respect of letter of credit / guarantees	24,119,784	14,961,863	1,655,703	-	40,737,350
In respect of forward foreign exchange contracts	-	-	-	152,359,696	152,359,696
In respect of forward lendings	-	3,056,954	-	-	3,056,954
In respect of fixed assets	-	-	-	121,073	121,073
In respect of government securities	-	-	-	1,968,946	1,968,946
In respect of other contingencies	-	-	-	2,278,386	2,278,386
Total	24,119,784	18,018,817	1,655,703	2,399,459	200,522,405

The operations of the Bank are currently based only in Pakistan, therefore, geographical segment is not relevant.

37 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its related group companies, major shareholders, staff retirement funds, directors and their close family members (including their associates) and key management personnel.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial statements are as follows:

Particulars	31 March 2019 (Un-audited)			31 December 2018 (Audited)		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
------(Rupees in '000)-----						

Statement of financial position

Investments

Opening balance	-	-	259,268	-	-	240,000
Investment made during the period / year	-	-	-	-	-	50,005
Investment redeemed / disposed during the period / year	-	-	-	-	-	(30,737)
Closing balance	-	-	259,268	-	-	259,268

Advances

Opening balance	3,000	169,576	-	3,500	111,729	-
Addition during the period / year	5,000	26,433	-	500	85,361	-
Repaid during the period / year	(3,000)	(20,272)	-	(1,000)	(33,235)	-
Transfer in / (out) - net	-	4,260	-	-	5,721	-
Closing balance	5,000	179,997	-	3,000	169,576	-

Statement of financial position

Other assets

Interest / mark-up accrued	22	99	-	167	-	-
Other receivable						
against E-banking settlement	-	-	37,559	-	-	115,100
against investment	-	-	50,000	-	-	50,000

Deposits and other accounts

Opening balance	247,127	25,704	4,993,206	235,344	46,327	4,323,175
Received during the period / year	89,504	176,376	22,295,183	1,196,771	380,449	76,961,727
Withdrawn during the period / year	(145,729)	(172,958)	(23,421,983)	(1,184,988)	(375,081)	(76,291,696)
Transfer in / (out) - net	-	5,688	-	-	(25,991)	-
Closing balance	190,902	34,810	3,866,406	247,127	25,704	4,993,206

Other liabilities

Interest / mark-up payable	1,338	93	41,616	2,204	98	41,278
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Contingencies and Commitments

Guarantees	-	-	-	-	-	2,287
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Particulars	31 March 2019 (Un-audited)			31 March 2018 (Un-audited)		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties

----- (Rupees in '000) -----

Profit and loss account

Income

Mark-up / return / interest earned	68	2,681	-	64	1,756	-
Fee and commission income	46	49	39	18	13	87

Expense

Mark-up / return / interest paid	4,223	262	126,300	24,832	275	23,741
Rent expense	-	-	2,924	-	-	2,659
ATM and ADC charges	-	-	2,914	-	-	4,918

(Un-audited) (Audited)
31 March 31 December
2019 2018
----- (Rupees in '000) -----

38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)	11,024,636	11,024,636
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	15,187,675	15,359,095
Eligible Additional Tier 1 (ADT 1) Capital	3,015,968	3,082,678
Total Eligible Tier 1 Capital	18,203,643	18,441,773
Eligible Tier 2 Capital	4,876,189	4,995,354
Total Eligible Capital (Tier 1 + Tier 2)	23,079,832	23,437,127

Risk Weighted Assets (RWAs):

Credit Risk	138,850,342	133,719,523
Market Risk	8,455,047	8,246,679
Operational Risk	17,105,251	17,422,308
Total	164,410,640	159,388,510

(Un-audited) (Audited)
31 March 31 December
2019 2018

Common Equity Tier 1 Capital Adequacy ratio	9.24%	9.64%
Tier 1 Capital Adequacy Ratio	11.07%	11.57%
Total Capital Adequacy Ratio	14.04%	14.70%

National minimum capital requirements prescribed by SBP

CET1 minimum ratio	6.00%	6.00%
Tier 1 minimum ratio	7.50%	7.50%
Total capital minimum ratio	11.90%	11.90%

	(Un-audited) 31 March 2019	(Audited) 31 December 2018
	----- (Rupees in '000) -----	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	18,203,643	18,441,773
Total Exposures	404,815,637	515,189,170
Leverage Ratio - percentage	4.50%	3.58%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	90,784,706	107,190,086
Total Net Cash Outflow	87,859,717	92,037,670
Liquidity Coverage Ratio - percentage	103.33%	116.46%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	201,211,173	204,605,129
Total Required Stable Funding	183,121,369	164,874,965
Net Stable Funding Ratio - percentage	109.88%	124.10%

- 38.1** The Bank follows the below mentioned approach for determining credit risk, market risk and operational risk exposures in the capital adequacy calculation:

Risk Type	Approach adopted by Bank
Credit Risk	Standardized Approach
Market Risk	Standardized Approach
Operational Risk	Basic Indicator Approach

39 ISLAMIC BANKING BUSINESS

The Bank is operating 21 Islamic Banking branches (31 December 2018: 21). The statement of financial position and profit and loss account of these branches (including Islamic Banking Division) are given below.

BSD circular letter No. 03 dated 22 January 2013 requires all Islamic Banks and Banks with Islamic Banking Branches to present all financing, advances for assets under Islamic modes of financing and any other related items pertaining to Islamic mode of financing under the caption Islamic Financing and Related Assets in the Statement of Financial Position.

	Note	(Un-audited) 31 March 2019 ------(Rupees in '000)-----	(Audited) 31 December 2018 ------(Rupees in '000)-----
ASSETS			
Cash and balances with treasury banks		1,101,803	887,183
Balances with other banks		334,837	331,273
Due from financial institutions		-	-
Investments	39.1	5,276,305	5,147,722
Islamic financing and related assets- net	39.2	9,523,912	8,005,364
Fixed assets		208,455	208,419
Intangible assets		-	-
Due from head office		-	-
Other assets		315,788	189,802
Total assets		16,761,100	14,769,763
LIABILITIES			
Bills payable		116,783	161,871
Due to financial institutions		257,579	328,236
Deposits and other accounts	39.3	14,018,332	12,237,182
Due to head office		559,877	165,587
Other liabilities		151,893	97,349
Total liabilities		15,104,464	12,990,225
NET ASSETS		1,656,636	1,779,538
REPRESENTED BY:			
Islamic banking fund		1,500,000	1,500,000
Accumulated profit	39.5	83,996	129,190
Surplus on revaluation of assets - net of tax		72,640	150,348
		1,656,636	1,779,538
CONTINGENCIES AND COMMITMENTS			
	39.6		

The profit and loss account of the Bank's Islamic banking branches for the period ended 31 March 2019 is as follows:

		(Un-audited) 31 March 2019 ------(Rupees in '000)-----	(Un-audited) 31 March 2018 ------(Rupees in '000)-----
Profit / return earned	39.7	389,232	241,955
Profit / return expensed	39.8	240,061	146,050
Net profit / return		149,171	95,905
Other income			
Fee and commission Income		18,954	13,427
Foreign exchange income		5,572	1,650
Other income		694	199
Total other income		25,220	15,276
		174,391	111,181
Other expenses			
Operating expenses		89,976	76,028
Other charges		380	-
Total other expenses		90,356	76,028
Profit before provisions		84,035	35,153
Provisions and write offs - net		(39)	-
Profit before taxation		83,996	35,153

39.1 Investments by segments:

	31 March 2019 (Un -audited)				31 December 2018 (Audited)			
	Cost/ amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
(Rupees in '000)								
Federal Government securities:								
-Ijarah sukuk	385,000	-	(4,428)	380,572	400,000	-	(7,160)	392,840
-Bai muajjal from Government of Pakistan (GoP)	2,139,927	-	-	2,139,927	2,074,788	-	-	2,074,788
	2,524,927	-	(4,428)	2,520,499	2,474,788	-	(7,160)	2,467,628
Non-Government debt securities								
-Listed	353,262	-	4,115	357,377	406,525	-	4,096	410,621
-Unlisted	2,383,610	(19,860)	34,679	2,398,429	2,174,194	(19,860)	115,139	2,269,473
	2,736,872	(19,860)	38,794	2,755,806	2,580,719	(19,860)	119,235	2,680,094
Total Investments	<u>5,261,799</u>	<u>(19,860)</u>	<u>34,366</u>	<u>5,276,305</u>	<u>5,055,507</u>	<u>(19,860)</u>	<u>112,075</u>	<u>5,147,722</u>

39.2 Islamic financing and related assets

	(Un-audited) 31 March 2019	(Audited) 31 December 2018
(Rupees in '000)		
Ijarah	437,179	423,793
Murabaha	1,202,838	880,480
Musharaka	584,069	735,531
Diminishing Musharaka	3,607,216	3,540,549
Salam	1,666,801	72,015
Other islamic modes	471,675	-
Advances against islamic assets		
Murabaha	464,982	754,348
Ijarah	25,359	58,193
Diminishing musharakah	-	13,471
Salam	342,184	1,405,323
Istisna	749,930	150,000
Gross Islamic financing and related assets	9,552,233	8,033,703
Less: Provision against Islamic financing		
- Specific	28,321	28,339
- General	-	-
	28,321	28,339
Islamic financing and related assets - net of provision	<u>9,523,912</u>	<u>8,005,364</u>

39.3 Deposits and other accounts

Customers

Current deposits	2,236,875	2,160,426
Savings deposits	3,768,786	3,817,937
Other	659,151	676,152
Term deposits	2,288,690	641,477
	<u>8,953,502</u>	<u>7,295,992</u>

Financial Institutions

Current deposits	66,486	22,299
Savings deposits	4,610,344	4,718,891
Term deposits	388,000	200,000
	<u>5,064,830</u>	<u>4,941,190</u>
	<u>14,018,332</u>	<u>12,237,182</u>

39.4 Charity Fund

Opening balance
Additions during the period / year
Received from customers on account of delayed payment

Payments / utilization during the period / year
Health

Closing balance

39.5 Islamic Banking Business - Unappropriated Profit

Opening balance
Add: Islamic Banking profit for the period / year
Less: Transferred / remitted to Head Office
Closing balance

39.6 CONTINGENCIES AND COMMITMENTS

-Guarantees
-Other contingent liabilities

39.7 Profit / Return Earned on Financing, Investments and Placement

Profit earned on:

Financing
Investments
Placements
Others

39.8 Profit on Deposits and Other Dues Expensed

Deposits and other accounts
Due to financial institutions
Others

39.9 Pool Management

(Un-audited) 31 March 2019
(Audited) 31 December 2018
----- (Rupees in '000) -----

Opening balance	-	-
Additions during the period / year	-	-
Received from customers on account of delayed payment	-	-
Payments / utilization during the period / year	-	-
Health	-	-
Closing balance	-	-
Opening balance	129,190	160,665
Add: Islamic Banking profit for the period / year	83,996	129,190
Less: Transferred / remitted to Head Office	(129,190)	(160,665)
Closing balance	83,996	129,190
-Guarantees	339,437	435,565
-Other contingent liabilities	849,397	1,220,138
	1,188,834	1,655,703

(Un-audited) 31 March 2019
(Un-audited) 31 March 2018
----- (Rupees in '000) -----

Financing	241,930	97,408
Investments	147,302	66,204
Placements	-	75,782
Others	-	2,561
	389,232	241,955
Deposits and other accounts	214,445	145,676
Due to financial institutions	697	297
Others	24,919	77
	240,061	146,050

31 March 2019 (Un-audited) 31 December 2018 (Audited)
Normal Pool Special Pool Total Normal Pool Special Pool Total
----- (Rupees in '000) -----

Chemical and Pharmaceuticals	641,337	327,570	968,907	924,782	56,526	981,308
Textile	293,032	320,146	613,178	632,739	62,654	695,393
Cement	180,453	-	180,453	-	232,842	232,842
Sugar	1,939,930	-	1,939,930	497,336	270,000	767,336
GOP Bai Muajjal / Ijarah Sukuk	380,572	2,139,927	2,520,499	-	2,467,628	2,467,628
Automobile and transportation equipment	15,779	-	15,779	23,096	-	23,096
Financial	19,485	601,203	620,688	424,840	501,184	926,024
Electronics and electrical appliances	95,000	15,703	110,703	201,024	-	201,024
Production and transmission of energy	1,418,096	2,907,003	4,325,099	37,331	4,146,182	4,183,513
Exports Imports	53,496	85,769	139,265	120,148	-	120,148
Wholesale & Retail Trade	147,260	31,886	179,146	52,296	-	52,296
Construction	117,596	-	117,596	181,905	-	181,905
Food and allied	1,053,135	31,853	1,084,988	600,702	-	600,702
Services	573,571	818,999	1,392,570	281,161	948,084	1,229,245
Iron & Steel	400,000	-	400,000	400,000	-	400,000
Individual	-	-	-	-	-	-
Others	161,600	29,816	191,416	421,899	-	421,899
	7,490,342	7,309,875	14,800,217	4,799,259	8,685,100	13,484,359

Musharaka investments from the SBP under Islamic Export Refinance Scheme (IERS) are channelled towards the export sector of the economy and other financings as per SBP guidelines.

39.10 Key features and risk and reward characteristics of all pools

The 'Mudaraba Pool' for Local Currency caters to all Soneri Bank Limited - Islamic Banking depositors and provides profit / loss based on Mudaraba.

The IERS Pool caters to the 'Islamic Export Refinance' requirements based on the guidelines issued by the SBP.

The risk characteristic of each pool mainly depends on the asset and liability profile of each pool.

Jointly financed by the Bank and unrestricted investments / PLS deposit account holders

This represents all earning assets of the Bank except those tagged to the Islamic Export Refinance Scheme. Major categories include:

	Funded Income	Expenses	Gains / (loss) on sale of securities	Total
	----- (Rupees in '000) -----			
Islamic financing and related assets	240,288	-	-	240,288
Investments	147,302	-	-	147,302
Due from financial institutions	-	-	-	-
Others	-	-	-	-
	<u>387,590</u>	<u>-</u>	<u>-</u>	<u>387,590</u>

39.11 Incentive profits (Hiba)

The Bank paid an aggregate amount of Rs. 24.795 million as incentive profits (Hiba), which includes Rs. 3.097 million for normal pool and Rs. 21.698 million for special pool during the period ended 31 March 2019. The following guidelines are approved by the Bank's Sharia Advisor for determination of incentive profits (Hiba):

- Special weightage deposits in designated tiers / slabs in Mudaraba Pool shall be offered extra weightages outside the Mudaraba Pool, provided the specified parameters are met ;
- The deposit deal shall be at least of Rs. 100 thousands ;
- In case a Term Deposit is pre-maturely encashed, profit shall be paid at the expected rate of completed tenor;
- The payment of Hiba on deposits will be at the sole discretion of the Bank and could be decreased or / and removed any time during the tenure of the deposit, under intimation to the customer, if the customer fails to meet the prerequisites at any time during the tenure of the deposit and / or the profit rate no longer remains sustainable from Bank's share; and
- The Bank shall ensure that all the operational procedures and controls to the satisfaction of Shariah are in place.

39.12 Contractual maturities of mudaraba based deposit accounts

Particulars	31 March 2019						
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years
	----- (Rupees in '000) -----						
Fixed Deposits	2,676,690	181,250	2,217,351	230,478	41,011	1,300	5,300
Savings Deposits	7,504,169	7,504,169	-	-	-	-	-
Current Account	-	-	-	-	-	-	-
- Remunerative	874,961	874,961	-	-	-	-	-
	<u>11,055,820</u>	<u>8,560,380</u>	<u>2,217,351</u>	<u>230,478</u>	<u>41,011</u>	<u>1,300</u>	<u>5,300</u>

Profit / (loss) distribution to depositor's pool

General Remunerative Depositor's Pools	Profit Sharing Ratio (Depositor: Mudarib)	Profit rate return earned	Mudarib Share transferred to the Depositors through Hiba (Rs in '000)	Mudarib Share transferred to the Depositors through Hiba (Percentage)	Mudarib share Net of Hiba (Rs in '000)	Mudarib share Net of Hiba Percent	Profit rate and weightage announcement period	Profit rate return distributed
----------------------------------------	-------------------------------------------	---------------------------	-----------------------------------------------------------------------	-----------------------------------------------------------------------	----------------------------------------	-----------------------------------	-----------------------------------------------	--------------------------------

Mudaraba Pool

Normal Pool	75.00%	5.89%	3,097	6.31%	9,173	18.69%	Monthly	4.77%
Special Pool	75.00%	11.19%	21,698	11.70%	24,658	13.30%	Monthly	9.71%
Total	75.00%	10.07%	24,795	10.57%	33,831	14.43%	Monthly	8.73%

IERS Musharaka Pool	Ratio of weightage of Bank to SBP	Share of profit to SBP (Rupees in '000)	HIBA (Rupees in '000)	Profit rate and weightage announcement period	Profit rate return earned by SBP
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Musharaka Pool SBP's Islamic Export Refinance Scheme	0.1587	1.221	-	Quarterly	1.57%
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Parameters used for allocation of profit, charging expenses and provisions, etc. along with a brief description of their major components:

Income generated from relevant assets, calculated at the end of each month is first set aside for the Musharaka pool arrangement between the Bank and the State Bank of Pakistan. It is then allocated between the participants of the pool as per the agreed weightages and rates.

The Mudaraba Pool profit is divided between the Bank and depositors in the ratio of Bank's average equity (pertaining to Islamic banking branches) and average depositors balances commingled in each pool on a pro-rata basis. The depositors' share of profit is allocated amongst them on the basis of weightages declared before start of each month, after deduction of a mudarib fee. During the period ended 31 March 2019, the Bank charged 25% (2018: 25%) of the profit as Mudarib fee. These weightages are declared by the Bank in compliance with the requirements of the SBP and Shariah.

The allocation (of income and expenses to different pools) is made on a pre-defined basis and accounting principles / standards. Provisions against any non-performing assets of the pool are not passed on to the pool.

39.13 Allocation of Income and Expenses to Depositors' Pools

a)	Following are material items of revenues, expenses, gains and losses	(Un-audited) 31 March 2019 ----- (Rupees in '000) -----	(Un-audited) 31 March 2018 ----- (Rupees in '000) -----
	Profit / return earned on financings, investments and placements	387,591	241,209
	Other income (including other charges)	25,220	15,276
	Directly related costs attributable to pool	-	(1,624)
		<u>412,811</u>	<u>254,861</u>

b) Following weightages have been assigned to different products under the Mudaraba Pool during the period:

	Percentage of total Mudaraba based deposits	Minimum weightage	Maximum weightage
Savings - Soneri Munafa Account	67%	0.4482	1.0209
Savings - Soneri Bachat Account	1%	0.4482	0.4482
Savings - Assan Account	0%	0.4482	0.4482
Current Account - Remunerative	8%	0.0249	0.0249
Time Deposits - Soneri Meadi	24%	0.5229	1.1205

The Bank shares all its revenue generated through banking operations with the deposit account (pertaining to Islamic Operation) holders.

40 **CORRESPONDING FIGURES**

Comparative information has been re-classified and re-arranged in these condensed interim financial statements, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period. There were no significant reclassifications.

41 **GENERAL**

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

42 **DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on 24 April 2019 by the Board of Directors of the Bank.

LIST OF BRANCHES

AS AT 31 MARCH 2019

REGISTERED OFFICE

Rupali House, 241-242 Upper Mall Scheme,
Anand Road Lahore-54000 - Pakistan
Tel. No: (+92-42) 35713101-2 & 35792180

CENTRAL OFFICE

10th Floor, PNSC Building, M. T. Khan Road
Karachi Tel. No: (+92-21) 32444401-5 & 111-567-890
Swift: SONEPKAXXX

CENTRAL REGION

01 Main Branch, Lahore Tel: (042) 36368141-8 & 111-567-890	15 Chungi Amer Sadhu Branch, Lahore Tel. No: (042) 35922182,184 & 186	31 Sabzazar Branch, Lahore Tel. No: (042) 37830881-6
02 Defence Branch, Lahore Tel. No: (042) 35730760-1, 3574616 & (042) 35691037-9	16 Johar Town Branch, Lahore Tel. No: (042) 35204191-3	32 DHA Phase-IV Br., Lahore Tel. No: (042) 35694156-7
03 Gulberg Branch, Lahore Tel. No: (042) 35713445-8, 35759273 & (042) 35772294-5	17 Wahdat Road Branch, Lahore Tel. No: (042) 37424821-7 & 37420591	33 Azam Cloth Market Branch, Lahore Tel. No: (042) 37662203-7
04 Circular Road Branch, Lahore Tel. No: (042) 37670483, 86, 89 & (042) 37379319	18 Gunpat Road Branch, Lahore Tel. No: (042) 37361607-9	34 Jail Road Branch, Lahore Tel. No: (042) 35408936-8
05 Model Town Branch, Lahore Tel. No: (042) 35889311-2 & 35915666	19 Airport Road Branch, Lahore Tel. No: (042) 35700115-8	35 Badami Bagh Branch, Lahore Tel. No: (042) 37731601, 2 & 4
06 Peco Road Branch, Lahore Tel. No: (042) 35222306-7, 35203050-1, (042) 35177804 & 35173392	20 Timber Market Branch, Lahore Tel. No: (042) 37725353-8	36 Montgomery Road Branch, Lahore Tel. No: (042) 36291013-4
07 Cavalry Ground Branch, Lahore Tel. No: (042) 36653728-30 & 36619702	21 Shahdara Branch, Lahore Tel. No: (042) 37920085, 37941741-3 & (042) 37921743-8	Islamic Banking
Islamic Banking	22 Manga Mandi Branch, Lahore Tel. No: (042) 35383516-9	37 DHA Phase: VI Branch, Lahore Tel. No: (042) 37180535-7
08 Temple Road Branch, Lahore Tel. No: (042) 36376341, 2 & 6	23 Badian Road Branch, Lahore Tel. No: (042) 37165390-2	38 Bahria Town Branch, Lahore Tel. No: 0316-8226346-9
09 Allama Iqbal Town Branch, Lahore Tel. No: (042) 37812395-7	24 Mughalpura Branch, Lahore Tel. No: (042) 36880892-4	39 Expo Centre Branch, Lahore Tel. No: (042) 35314087, 88, 90 & 91
10 Baghbanpura Branch, Lahore Tel. No: (042) 36832811-3	25 Upper Mall Branch, Lahore Tel. No: (042) 35789346, 49, 51 & 55	40 Wapda Town Branch, Lahore Tel. No: (042) 35187611-2
11 Thokar Niaz Baig Branch, Lahore Tel. No: (042) 35313651, 3 & 4	26 Islampura Branch, Lahore Tel. No: (042) 37214394-7	41 Shah Alam Market Branch, Lahore Tel. No: (042) 37376213-4
12 Ghazi Chowk Branch, Lahore Tel. No: (042) 35188505-7 & 35185661-3	27 Garhi Shahu Branch, Lahore Tel. No: (042) 36294201-3 & 36376096	42 DHA Phase-V Branch, Lahore Tel. No: (042) 35695678 & 0316-8226322-3
Islamic Banking	28 Zarrar Shaheed Road Br., Lahore Tel. No: (042) 36635167-8	43 Chauburji Branch, Lahore Tel. No: (042) 37112228 & 0316-8226325-7
13 New Garden Town Branch, Lahore Tel. No: (042) 35940611-616	29 Hamdard Chowk Kot Lakhpat Br., Lahore Tel. No: (042) 35140261-3	44 Walton Road Branch, Lahore Tel. No: (042) 36672305 & 0316-8226339, 40 & 41
14 DHA Phase-III Branch, Lahore Tel. No: (042) 35734083-5	30 Kana Kacha Branch, Lahore Tel. No: (042) 35472222 & 0316-8226316-8	45 Faisal Town Branch, Lahore Tel. No: (042) 35170540 & 0316-8226335, 7 & 8

- 46 **Karim Block Branch, Lahore**
Tel. No: (042) 35417757 &
0316-8226412, 3 & 4
- 47 **Defence Road Branch, Lahore**
Tel. No: 0316-8226415-8
- 48 **Safari Garden Branch, Lahore**
Tel. No: 0317-4484537-9
- 49 **Raiwind Branch, Lahore**
Tel. No: (042) 35398661-2 & 0317-4484562-4
- 50 **Muridke Branch**
Tel. No: (042) 37166511-4 & 37981100
- 51 **Main Branch, Gujranwala**
Tel. No: (055) 3843560-2 & 111-567-890
- Islamic Banking**
- 52 **Gujranwala Cantt. Branch, Gujranwala**
Tel. No: (055) 3861931-3 & 5
- 53 **Wapda Town Branch, Gujranwala**
Tel. No: (055) 4291136-7
- 54 **Kamokee Branch, Distt. Gujranwala**
Tel. No: (055) 6813501-6
- 55 **Main Branch, Faisalabad**
Tel. No: (041) 2639873, 7-8 &
(041) 111-567-890
- 56 **Peoples Colony Branch, Faisalabad**
Tel. No: (041) 8555714 & 8555720
- 57 **Ghulam Muhammadabad Branch, Faisalabad**
Tel. No: (041) 2680114, 110 & 117
- Islamic Banking**
- 58 **East Canal Road Branch, Faisalabad**
Tel. No: (041) 2421381-2
- 59 **Civil Lines Branch, Faisalabad**
Tel. No: (041) 2648105, 8 & 11
- 60 **Madina Town Branch, Faisalabad**
Tel. No: (041) 8735551-2 &
0316-8226451-3
- 61 **Jaranwala Branch, Distt. Faisalabad**
Tel. No: (041) 4312201-6
- 62 **Samundri Branch, Distt. Faisalabad**
Tel. No: (041) 3423983-4
- 63 **Painsera Branch, Distt. Faisalabad**
Tel. No: (041) 2557100-11 & 2574300
- 64 **Khurrianwala Branch**
Tel. No: (041) 4360701-2
- 65 **Chiniot Branch**
Tel. No: (047) 6333840-4
- 66 **Jhang Branch**
Tel. No: (047) 7651601-2
- 67 **Small Industrial Estate Branch, Sialkot**
Tel. No: (052) 3242607-9
- 68 **Pasrur Road Branch, Sialkot**
Tel. No: (052) 3521655, 755 & 855 &
(052) 3611655 & 755
- Islamic Banking**
- 69 **Sialkot Cantt Branch, Sialkot**
Tel. No: (052) 4560023-7
- 70 **Godhpur Branch, Sialkot**
Tel. No: (052) 4563932-3
- 71 **Daska Branch, Distt. Sialkot**
Tel. No: (052) 6617847-8
- 72 **Sheikhupura Branch**
Tel. No: (056) 3810933 & 3813133
- 73 **Nankana Sahib Branch**
Tel. No: (056) 2876342-3
- 74 **Wazirabad Branch**
Tel. No: (055) 6603703-4 & 6608555
- 75 **Ghakkar Mandi Branch**
Tel. No: (055) 3832611-2
- 76 **Main Branch, Multan**
Tel. No: (061) 4504018, 4504118,
(061) 4519927 & 4512884
- Islamic Banking**
- 77 **Shah Rukn-e-Alam Branch, Multan**
Tel. No: (061) 6784051-4 & 6782081
- 78 **Bosan Road Branch, Multan**
Tel. No: (061) 6210690-2
- 79 **Mumtazabad Branch, Multan**
Tel. No: (061) 6760212-4
- 80 **Gulgasht Colony Branch, Multan**
Tel. No: (061)-6222701 &
0316-8226393-5
- 81 **Wapda Town Branch, Multan**
Tel. No: (061) 6213011 & 0316-8226441-2
- 82 **Azmat Road Br., Dera Ghazi Khan**
Tel. No: (064) 2471630-6
- 83 **Lodhran Branch**
Tel. No: (0608) 364766-7
- 84 **Rahim Yar Khan Branch**
Tel. No: (068) 5886042-4
- 85 **Liaquatpur Br., Distt. Rahim Yar Khan**
Tel. No: (068) 5792041-4
- 86 **Sadiqabad Branch**
Tel. No: (068) 5702162, 5800161,
(068) 5800661 & 5801161
- 87 **Bahawalpur Branch**
Tel. No: (062) 2731703-1
- 88 **Ahmedpur Sharqia Branch District Bahawalpur**
Tel. No: (062) 2271345 &
0316-8226404, 6 & 8
- 89 **Hasilpur Branch**
Tel. No: (062) 2441481-7 & 2441478
- 90 **Club Road Branch, Sargodha**
Tel. No: (048) 3726021-3
- 91 **Pull-111 Branch, Distt. Sargodha**
Tel. No: (048) 3791403-4 &
0316-8226449 & 50
- 92 **Jauharabad Branch, District Khushab**
Tel. No: (0454) 723011-2
- 93 **Bhalwal Branch**
Tel. No: (048) 6642224 & 0316-8226331-2
- 94 **Khanewal Branch**
Tel. No: (065) 2551560-3
- 95 **Kabirwala Br., Distt. Khanewal**
Tel. No: (065) 2400910-3
- 96 **Abdul Hakeem Br., Distt. Khanewal**
Tel. No: (065) 2441888 & 0316-8226310-2

97	Mian Channu Branch Tel. No: (065) 2662201-2	114	Ellahabad Branch Tel. No: (049) 4751130	133	Narowal Branch Tel. No: (0542) 411405 & 0316-8226328-30
98	Depalpur Branch Tel. No: (044) 4541341-2	115	Khudian Branch Tel. No: (049) 2791595-6	134	Rajanpur Branch Tel. No: (0604) 688108 & 0316-8226396
99	Okara Branch Tel. No: (044) 2553012-4 & 2552200	116	Sambrial Branch Tel. No: (052) 6523451-3	SOUTH REGION	
100	Hujra Shah Muqem Branch District Okara Tel. No: (044) 4860401-3 & 0316-8226419-21	117	Gagoo Mandi Branch, Distt. Vehari Tel. No: (067) 3500311-2	135	Main Branch, Karachi Tel. No: (021) 32436990 & 32444401-5 & (021) 111-567-890
101	Haveli Lakha Branch Tel. No: (044) 4775412-3	118	Mailsi Branch, Distt. Vehari Tel. No: (067) 3750140-5	136	Clifton Branch, Karachi Tel. No: (021) 35877773-4, 35861286 & (021) 35375448
102	Sahiwal Branch Tel. No: (040) 4467742-3	119	Burewala Branch, Distt. Vehari Tel. No: (067) 3773110 & 20 & 3355779	137	Garden Branch, Karachi Tel. No: (021) 32232877-8
103	Chichawatni Br., Distt. Sahiwal Tel. No: (040) 5484852-3	120	Mandi Bahauddin Branch Tel. No: (0546) 507602, 3 & 8	138	F. B. Area Branch, Karachi Tel. No: (021) 36373782-3 & 36811646
104	Layyah Branch Tel. No: (060) 6414205-7	121	Bahawalnagar Branch Tel. No: (063) 2274795-6	139	Korangi Industrial Area Br., Karachi Tel. No: (021) 35113898-9, 35113900-1 & 0316-8226189-92
105	Chowk Azam Branch, Distt. Layyah Tel. No: (060) 6372103-6 & 0316-8226401-3	122	Haroonabad Br., Distt. Bahawalnagar Tel. No: (063) 2251664-5	140	AKU Branch, Karachi Tel. No: (021) 34852251-3 & 33102498-9
106	Kharoor Pacca Branch Tel. No: (0608) 341041-2	123	Toba Tek Singh Branch Tel. No: (046) 2513203-4	141	Haiderly Branch, Karachi Tel. No: (021) 36638617, 36630409-410 & 0316-8226231-8
107	Muzafargarh Branch Tel. No: (066) 2422901, 3 & 5	124	Gojra Branch, Distt. Toba Tek Singh Tel. No: (046) 3516392 & 3515577	142	Jodia Bazar Branch, Karachi Tel. No: (021) 32441786, (021) 32442208 & 32463894
108	Fazal Garh Sanawan Branch, Distt. Muzafargarh Tel. No: (066) 2250214-5	125	Kamalia Branch, Distt. Toba Tek Singh Tel. No: (046) 3411405-6	143	Shahrah-e-Faisal Branch, Karachi Tel. No: (021) 34316128, 34316395, (021) 34322150, 34398430 & (021) 34535545-46, 53-54
109	Sheikho Sugar Mills Branch Distt. Muzafargarh Tel. No: 0345-8530242-4	126	Pir Mahal Branch Tel. No: (046) 3361690 & 5	144	DHA Branch, Karachi Tel. No: (021) 35852209, (021) 35845211 & 35340825
110	Shahbaz Khan Road Branch, Kasur Tel. No: (0492) 764890-3	127	Gujrat Branch Tel. No: (053) 3520591, 2 & 4	145	Gulshan-e-Iqbal Branch, Karachi Tel. No: (021) 34811830-33 & 0316-8226239-45
111	Jalalpur Bhattian Br., Distt. Hafizabad Tel. No: (0547) 500848-50	128	Kharian Branch Tel. No: (053) 7602904, 5 & 7	146	SITE Branch, Karachi Tel. No: (021) 32568330, (021) 32550997 & 32550903-4
112	Hafizabad Branch Tel. No: (0547) 541641-4	129	Pak Pattan Br., Distt. Pak Pattan Tel.: (0457) 371781-5	147	Zamzama Branch, Karachi Tel. No: (021) 35375835 & 35293435
113	Pattoki Branch Tel. No: (049) 4422435-6	130	Arif wala Br., Distt. Pak Pattan Tel.: (0457) 834013, 5 & 6		
		131	Chishtian Branch Tel. No: (063) 2501141-2 & 0316-8226304-6		
		132	Khanpur Branch Tel. No: (068) 5577719-20 & 0316-8226307-9		

- 148 Gole Market Branch, Karachi**
Tel. No: (021) 36618932, 36618925 & 0316-8226154-62
- 149 Gulistan-e-Jauhar Branch, Karachi**
Tel. No: (021) 34020943-5
- 150 M. A. Jinnah Road Branch, Karachi**
Tel. No: (021) 32213972 & 32213498
- 151 Gulbahar Branch, Karachi**
Tel. No: (021) 36607744 & 0316-8226434-5
- 152 North Karachi Branch, Karachi**
Tel. No: (021) 36920140-5
- 153 Block-7 Gulshan-e-Iqbal Branch, Karachi**
Tel. No: (021) 34815811-2, (021) 34833728 & 777
- Islamic Banking**
- 154 Cloth Market Branch, Karachi**
Tel. No: (021) 32442961 & 32442977
- 155 Paria Street Kharadar Branch, Karachi**
Tel. No: (021) 32201059, 60 & 61
- 156 Suparco Branch, Karachi**
Tel. No: (021) 34970560, 34158325-6, (021) 37080810, 0316-8226457
- 157 Chandni Chowk Branch, Karachi**
Tel. No: (021) 34937933 & 34141296
- 158 Allama Iqbal Road Branch, Karachi**
Tel. No: (021) 34387673-4
- 159 Nishtar Road Branch, Karachi**
Tel. No: (021) 32239711-3 & 32239678
- Islamic Banking**
- 160 Waterpump Branch, Karachi**
Tel. No: (021) 36312113 & 36312108, (021) 36312349 & 36311908
- 161 Apwa Complex Branch, Karachi**
Tel. No: (021) 32253143 & 32253216
- 162 Clifton Block-2 Branch, Karachi**
Tel. No: (021) 35361115-7
- 163 Malir Branch, Karachi**
Tel. No: (021) 34517982-3
- 164 Bahadurabad Branch, Karachi**
Tel. No: (021) 34135842-3
- 165 New Chali Branch, Karachi**
Tel. No: (021) 32625246 & 32625279
- 166 Shah Faisal Colony Branch, Karachi**
Tel. No: (021) 34602446-7
- 167 Zaibunissa Street Saddar Br., Karachi**
Tel. No: (021) 35220025-7
- 168 Liaquatabad Branch, Karachi**
Tel. No: (021) 34860723-25
- 169 Lea Market Branch, Karachi**
Tel. No: (021) 32526193-4
- 170 Korangi Township No: 2 Branch, Karachi**
Tel. No: (021) 35058041 & 35071181
- 171 North Karachi Ind. Area Branch, Karachi**
Tel. No: (021) 36962851, 52 & 55
- 172 F. B. Industrial Area Branch, Karachi**
Tel. No: (021) 36829961-4
- 173 Napier Road Branch, Karachi**
Tel. No: (021) 32713539-40
- 174 Gulshan-e-Hadeed Branch, Karachi**
Tel. No: (021) 34710252 & 256
- 175 Metroville Branch, Karachi**
Tel. No: (021) 36752206-7
- 176 Defence Phase-II Extension Br., Karachi**
Tel. No: (021) 35386910-12
- 177 North Karachi Township Branch, Karachi**
Tel. No: (021) 36968604-7
- 178 Stock Exchange Branch, Karachi**
Tel. No: (021) 32414003-4 & (021) 32415927-8
- 179 Gulshan-e-Jamal Branch, Karachi**
Tel. No: (021) 34682682-4
- 180 Alyabad Branch, Karachi**
Tel. No: (021) 36826727 & 36332517
- 181 Saudabad Branch, Malir, Karachi**
Tel. No: (021) 34111901-5
- 182 Shireen Jinnah Colony Branch, Karachi**
Tel. No: (021) 34166262-4
- Islamic Banking**
- 183 Al-Tijarah Centre Branch, Karachi**
Tel. No: (021) 34169251-3
- 184 Barkat-e-Haidery Branch, Karachi**
Tel. No: (021) 36645688-9
- 185 Shadman Town Branch, Karachi**
Tel. No: (021) 36903038-9
- 186 Enquiry Office Nazimabad No: 2 Branch, Karachi**
Tel. No: (021) 36601502-5
- Islamic Banking**
- 187 Rashid Minhas Road Br., Karachi**
Tel. No: (021) 34983878 & 34837443-4
- 188 Timber Market Branch, Karachi**
Tel. No: (021) 32742491-2
- 189 Khayaban-e-Ittehad Branch, Karachi**
Tel. No: (021) 35347413-6
- 190 Bahria Complex-III Branch, Karachi**
Tel. No: (021) 35640731-6 35640235-7
- 191 New M. A. Jinnah Road Branch, Karachi**
Tel. No: (021) 34894941-3
- 192 DHA Phase-IV Branch, Karachi**
Tel. No: (021) 35311491-2 & 0316-8226285-7
- 193 Gulberg Branch, Karachi**
Tel. No: (021) 36340553, 549 & 0316-8226291-2
- 194 New Sabzi Mandi Branch, Karachi**
Tel. No: (021) 36870506-7 & 0316-8226409-11
- 195 Clifton Block-08 Branch, Karachi**
Tel. No: (021) 35867435-6 & 0316-8226425-7
- 196 Block-02 Gulshan-e-Iqbal Br., Karachi**
Tel. No: (021) 34988781-2
- 197 Garden Market Branch, Karachi**
Tel. No: (021) 32244195-6 & 0316-8226431-3
- 198 Block-N North Nazimabad Branch, Karachi**
Tel. No: (021) 36641623-4 & 0316-8226436-38

- 199 Marriot Road Branch, Karachi**
Tel. No: (021) 32461840-42 & 0316-8226428-30
- 200 Gulshan-e-Maymar Branch, Karachi**
Tel. No: (021) 36881235-6 & 0316-8226445-47
- 201 Shersha Branch, Karachi**
Tel. No: (021) 32583001-3 & 0317-4484534-6
- 202 Main Branch, Hyderabad**
Tel. No: (022) 2781528-9, 2782347 & (022) 111-567-890
- 203 F. J. Road Branch, Hyderabad**
Tel. No: (022) 2728131 & 2785997 (022) 2780205
- 204 Latifabad Branch, Hyderabad**
Tel. No: (022) 3816309 & 3816625
- 205 Qasimabad Branch, Hyderabad**
Tel. No: (022) 2651968 & 70
- Islamic Banking**
- 206 Isra University Br., Distt. Hyderabad**
Tel. No: (022) 2032322 & 2030161-4
- 207 Prince Ali Road Branch, Hyderabad**
Tel. No: (022) 2638514 & 2622122
- 208 S.I.T.E. Branch, Hyderabad**
Tel. No: (022) 3886861-2
- 209 Faqir Jo Pir Branch, Hyderabad**
Tel. No: (022) 2612685-6
- 210 Auto Bhan Road Branch, Hyderabad**
Tel. No: (022) 2100062-3 & 0316-8226313-4
- 211 Matyari Branch, Distt. Matyari**
Tel. No: (022) 2760125-6
- 212 Tando Allah Yar Branch**
Tel. No: (022) 3890260-4
- 213 Sultanabad Branch, Distt. Tando Allah Yar**
Tel. No: (022) 3404101-2
- 214 Tando Muhammad Khan Branch**
Tel. No: (022) 3340371-2 & 0316-8226267-8
- 215 Sukkur Branch**
Tel. No: (071) 5622382, 5622925 & 0316-8226055-63
- 216 Sanghar Branch, Distt. Sanghar**
Tel. No: (0235) 543376-7 & 0316-8226246-7
- 217 Tando Adam Branch, Distt. Sanghar**
Tel. No: (0235) 571640-44
- 218 Shahdadpur Br., Distt. Sanghar**
Tel. No: (0235) 841982-4
- 219 Shahpur Chakar Br., Distt. Sanghar**
Tel. No: (0235) 846010-12
- 220 Golarchi Branch, Distt. Badin**
Tel. No: (0297) 853192-4
- 221 Talhar Branch, Distt. Badin**
Tel. No: (0297) 830387-9
- 222 Deh. Sonhar Branch, Distt. Badin**
Tel. No: (0297) 870729 & 870781-3
- 223 Matli Branch**
Tel. No: (0297) 840171-2
- 224 Tando Bago Branch, Distt. Badin**
Tel. No: (0297) 854554-6
- 225 Buhara Branch, Distt. Thatta**
Tel. No: 0316-8226439-40
- 226 Dhabeji Branch, Distt. Thatta**
Tel. No: (021) 34420030, 31 & 39
- 227 Hub Branch, Distt. Lasbela**
Tel. No: (0853) 310225-7
- 228 Umerkot Branch**
Tel. No: (0238) 571350 & 356
- 229 Nawabshah Branch**
Tel. No: (0244) 363918-9
- 230 Mirpurkhas Branch**
Tel. No: (0233) 821221 & 821317-8
- 231 Larkana Branch**
Tel. No: (074) 4058211-13
- 232 Panjhatti Branch**
Tel. No: (0243) 552183-6
- 233 Ghotki Branch**
Tel. No: (0723) 680305-6
- 234 Deharki Branch**
Tel. No: (0723) 644156, 158 & 160
- 235 Thull Branch**
Tel. No: (0722) 610153-4
- 236 Kandkhot Branch**
Tel. No: (0722) 572883-6
- 237 Jacobabad Branch**
Tel. No: (0722) 654041-5
- 238 Shahdadkot Br., Distt. Qamber Shahdadkot**
Tel. No: (074) 4012401-2
- 239 Dadu Branch**
Tel. No: (025) 4711417-8 & 0316-8226294-6
- 240 Shikarpur Branch**
Tel. No: (0726) 540381-3 & 0316-8226319-21
- 241 Main Branch, Quetta**
Tel. No: (081) 2821610 & 2821641
- Islamic Banking**
- 242 Shahrah-e-Iqbal Branch, Quetta**
Tel. No: (081) 2820227-30 & 37
- 243 Chamman Branch**
Tel. No: (0826) 613685 & 0316-8226342-4
- 244 Khuzdar Branch**
Tel. No: (0848) 412861-3 & 0316-8226466-68
- 245 Gawadar Branch**
Tel. No: (0864) 211103-5 & 0316-8226454, 5 & 6
- NORTH REGION**
- 246 Main Branch, Peshawar**
Tel. No: (091) 5277914-8 & 5277394
- 247 Chowk Yadgar Branch, Peshawar**
Tel. No: (091) 2573335-7 & 2220006
- Islamic Banking**
- 248 Khyber Bazar Branch, Peshawar**
Tel. No: (091) 2566811-3

249 Main Branch, Rawalpindi
Tel. No: (051) 5123123, 4, 5 & 8 &
(051) 5123136-7

250 Chandni Chowk Branch, Rawalpindi
Tel. No: (051) 4571160, 63, 86 & 87 &
(051) 4571301

251 22 Number Chungi Branch, Rawalpindi
Tel. No: (051) 5563576-7

252 Muslim Town Branch, Rawalpindi
Tel. No: (051) 5405506 & 4931112-3

253 Pindora Branch, Rawalpindi
Tel. No: (051) 4419020-22

254 Gulraiz Branch, Rawalpindi
Tel. No: (051) 5595148-9 & 5974073

Islamic Banking

255 Peshawar Road Br., Rawalpindi
Tel. No: (051) 5460113-7

256 Bahria Town Branch, Rawalpindi
Tel. No: (051) 5733772-3 & 5733768-9

257 Bewal Br., Distt. Rawalpindi
Tel. No: (051) 3360274-5

258 Wah Cantt. Branch, Distt. Rawalpindi
Tel. No: 0317-4484551-3

259 Main Branch, Islamabad
Tel. No: (051) 2348174 & 78 &
(051) 111-567-890

260 G-9 Markaz Branch, Islamabad
Tel. No: (051) 2850171-3

Islamic Banking

261 I-10 Markaz Branch, Islamabad
Tel. No: (051) 4101733-5

262 I-9 Markaz Branch, Islamabad
Tel. No: (051) 4858101-3

263 E-11 Branch, Islamabad
Tel. No: (051) 2228757-8

264 DHA Phase-II Br., Islamabad
Tel. No: (051) 5161967-9 & 5161970-72

Islamic Banking
265 F-8 Markaz Branch, Islamabad
Tel. No: (051) 2818019-21

266 G-11 Markaz Branch, Islamabad
Tel. No: (051) 2363366-68

267 F-11 Markaz Branch, Islamabad
Tel. No: (051) 2101076-7 &
0316-8226282-4

268 F-6 Branch, Islamabad
Tel. No: (051) 2826573-4 &
0316-8226303

269 PWD Branch, Islamabad
Tel. No: (051) 5708789, 90 & 91

**270 Lathrar Road Branch, Tarlai,
Distt. Islamabad**
Tel. No: (051) 2241661-5

271 Soan Garden Br., Distt. Islamabad
Tel. No: (051) 5738940-2

272 Gujar Khan Branch
Tel. No: (051) 3516328, 29 & 30

273 Waisa Branch, Distt. Attock
Tel. No: (057) 2651068-9

Islamic Banking
274 Swabi Branch, Distt. Swabi
Tel. No: (0938) 221741-45

275 Mirpur Branch, (AJK)
Tel. No: (05827) 444488 & 448044

276 Islamgarh Branch, (AJK)
Tel. No: (05827) 423981-2

277 Jattian Branch, Distt. Mirpur (AJK)
Tel. No: (05827) 403591-4

278 Gilgit Branch
Tel. No: (05811) 453749,
(05811) 450498 & 451838

279 Denyore Branch, Distt. Gilgit
Tel. No: (05811) 459986-7

280 Jutial Branch, Distt. Gilgit
Tel. No: (05811) 457233-5

281 Aliabad Branch, Hunza
Tel. No: (05813) 455000,
(05813) 455001 & 455022

282 Gahkuch Branch
Tel. No: (05814) 450409-10

283 Skardu Branch
Tel. No: (05815) 450327 & 450188-9

284 Abbottabad Branch
Tel. No: (0992) 385231-3 & 383073-75

285 Jhelum Branch
Tel. No: (0544) 625794-5

286 Chitral Branch, Distt. Chitral
Tel. No: (0943) 412078-9

287 Chakwal Branch
Tel. No: (0543) 543128-30

288 Mardan Branch
Tel. No: (0937) 864753-7

289 Muzaffarabad Branch
Tel. No: (0582) 2920025-6

Islamic Banking
290 Chillas Branch, Distt. Diamer
Tel. No: (05812) 450631-2

291 Islamic Banking Mingora Branch, Swat
Tel. No: (0946) 714355, 714400 &
0316-8226273-75

292 Battagram Branch
Tel. No: (0997) 311044-6

293 Mansehra Branch
Tel. No: (0997) 301931-6

294 Kohat Branch, Distt. Kohat
Tel. No: (0922) 511011 & 511033

295 IB - Nowshera Branch, Distt. Nowshera
Tel. No: (0923) 611545-8



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