

**FINANCIAL STATEMENTS
OF THE SILK BANK LIMITED**

**FOR THE 1ST QUARTER ENDED
MARCH 31, 2020.**

CORPORATE INFORMATION
as of March 31, 2020

Board of Directors

Khalid Aziz Mirza	Acting Chairman
Rashid Akhtar Chughtai	Director
Shahzad Enver Murad	Director
Talha Saeed Ahmed	Director
Tariq Iqbal Khan, FCA	Director
Zubair Nawaz Chattha	Director
Masroor Ahmed Qureshi	Director
Azmat Shahzad Ahmed Tarin	Director- President & CEO

Company Secretary

Faiz Ul Hasan Hashmi

Chief Financial Officer

Khurram Khan

Audit Committee

Tariq Iqbal Khan, FCA	Chairman
Shahzad Enver Murad	Member
Masroor Ahmed Qureshi	Member
Wajih Zaidi	Secretary

Nomination, Remuneration & Human Resource Committee

Khalid Aziz Mirza	Chairman
Rashid Akhtar Chughtai	Member
Azmat Tarin	Invitee
Goharulayn Afzal	Secretary

Risk Management Committee

Shahzad Enver Murad	Chairman
Tariq Iqbal Khan, FCA	Member
Masroor Ahmed Qureshi	Member
Muhammad Atif Kauser	Secretary

Information Technology Committee

Zubair Nawaz Chattha	Chairman
Masroor Ahmed Qureshi	Member
Talha Saeed	Member
Javed Yousuf Edhi	Secretary

Auditors

M/s. Grant Thornton Anjum Rahman (GTAR)
Chartered Accountants

Legal Advisor

M/s. Abdul Majeed & Co
Advocates & Corporate Consultants

Registered Office

Silkbank Limited,
13-L, F-7 Markaz,
Islamabad.
Direct Tel: (051) 26080-26-27-28,
PABX: (051) 26080-77-78-79 Ext: 111
Fax: (051) 26080-29
Email: companysecretary@silkbank.com.pk
Website: www.silkbank.com.pk

Share Registrar

M/s. CDC Share Registrar Services Limited
CDC House, 99 – B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal
Karachi-74400.
Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053
Email: info@cdcpak.com
Website: www.cdcpakistan.com

Silkbank Limited
Director's Report as of March 31st, 2020

Dear Shareholders,

We are pleased to present the financial statements of the Bank for the first quarter ended March 31, 2020.

Economic Review

Pakistan economy, from the start of FY-20, started to show signs of recovery after the implementation of new economic policies. Although the economic activity during H1FY-20 remained low, FDI, FPI and CAD gradually improved. However, the COVID-19 pandemic and the looming uncertainty due to country-wide lockdown resulted in reduced business activity and consumer spending.

The austerity drive undertaken by the government, monetary tightening by SBP and IMF bailout program in FY-20 not only paved the way for recovery of Pakistan's economy but also restored foreign investor's confidence. The improvement in current account deficit, during 9MFY-20 by 73.1% to \$2.8 billion against \$10.3 billion a year earlier, resulted in 6% appreciation of Pak Rupee against USD in Feb - 2020. Due to the collective improvement in current account deficit, stability in exchange rate and rise in yield differentials, the hot money amounting to USD 3.4 billion made its way to government securities during 8MFY-20. The inflows from multiple sources resulted in strengthening of country's FX reserves which reached the high of USD 18.8 bn in Feb-20.

However, the phase of optimism for Pakistan's economy did not last very long after the outbreak of COVID-19. The government announced country-wide lockdown on March 22, 2020 in order to minimize the burden on country's under-funded healthcare system. In order to address the adverse impact of lockdown on the economy, the government announced a stimulus package of Rs 1.13 tr (~\$7 bn). SBP also took drastic measures to keep monetary system afloat through monetary and quantitative easing. Due to fall in projected inflation, SBP slashed the policy rate by 525 basis points in two months' time; policy rate stands at 8% currently. Moreover, SBP also reduced the Special Cash Reserve Requirement to 10% from 15% on FE-25 deposits of the banks, which provided additional cushion to the monetary system. In order to mitigate the impact of economic shock, government should come up with greater stimulus package coupled with more monetary easing.

Banking Sector

Banking sector's profitability in CY-20 has increased significantly due to unanticipated decrease in interest rates - a direct impact of economic slowdown and future inflation outlook. A cumulative cut of 525 basis points in policy rates from 13.25% to 8%; post COVID-19, enabled commercial banks to book one-off capital gains on government securities. With further policy rate cut on cards, banks will be able to book more capital gains but at the cost of narrowing spreads, which will put pressure on Net Interest Income (NNI) of the bank in coming years. However, on the positive side, the decrease in interest rate will increase private sector

credit, which previously had been abridged due to higher financing cost. Further, with the introduction of relief package for household and business by SBP, the risk of increase in Non-performing Loans (NPLs) for commercial banks has significantly reduced.

Financial Performance

The Bank has posted an after-tax loss Rs. 581 million in the first quarter of 2020. During this period, total deposits of the Bank increased by Rs. 10 billion to Rs. 159 billion and gross advances decreased by Rs. 2 billion.

Summarized financial performance of Silkbank Limited for the first quarter ended March 31, 2020 is as follows:

	Rs in 'million'
Loss before tax	(893)
Tax - Current	-
Prior	-
Deferred	312
Loss after tax	(581)
	Rupee
Loss per share – Basic	(0.06)
Loss per share – Diluted	(0.06)

The loss declared by the Bank is primarily attributed to delay in payments from Real Estate customers of the Bank. The unexpected ban on construction of high-rise buildings in Karachi by the Supreme Court of Pakistan for a certain period of time adversely affected the Real Estate projects financed by the Bank.

As a result, the Bank had to classify lucrative Real Estate loans on prudent basis, with a concrete recovery plan in place.

Furthermore, the SBP during its last inspection identified a security shortfall in the real estate portfolio of the Bank. However, with the support of SBP, the shortfall so identified has been more than adequately covered through additional collateral valued by SBP nominated valuers. Those accounts stand classified as per SBP instructions.

Business Performance

Branch Banking

Branch Banking remains one of the most critical business for the Bank, serving over 204,866 customers contributing more than 57% of the Bank's deposit base. Total deposit as at 31st March, 2020 stood at approximately Rs. 91.4 billion, an overall deposit growth of approximately Rs. 3.5 billion achieved till end of 1st Quarter of 2020. This growth was realized

through the addition of 4 billion in core accounts while shedding some expensive institutional / non-core deposits. The Current Account grew by 2.5 billion at the end of 1st Quarter of 2020.

With the emergence of Covid-19, Branch banking ensured that safety of customers and staff were its priority at branch premises. Branch Staff was equipped with essential safety gear and branches were disinfected for maximum wellbeing of both staff and customers. The initiative of 'Digital Change Agent' at branches helped the segment in the smooth transition from conventional mode to digital mode of banking during this phase.

ADC Business: Silkbank VISA Debit Card ("VDC") continued to show strong growth during 1st quarter, 2020. VDC usage over Point of Sales (POS) during 1st Quarter of 2020 recorded a spend of Rs. 416.41 million against 112,601 transactions reflecting a growth of 7.77% in volume and 6.11% in number of transactions as compared to 1st Quarter of 2019. The highest POS monthly spend of Rs. 148.00 million was recorded during January 2020. Alternate Distribution and e-delivery channels have added value to the product offering of the Bank and have enhanced the reach and accessibility of its banking services. SilkMobile registrations have crossed 81,715 customers, where new features are continuously being added to attract customers towards a greater usage of its digital platform.

With the emergence of Covid-19, Branch banking ensured that safety of customers and staff were its priority at branch premises. Branch Staff was equipped with essential safety gear and branches were disinfected for maximum wellbeing of both staff and customers. The initiative of 'Digital Change Agent' at branches helped the segment in the smooth transition from conventional mode to digital mode of banking during this phase. Mention growth in numbers, if substantial.

Bancassurance: Bancassurance business continued its momentum in 1st Quarter of 2020 and generated a revenue income of PKR.19.35 million. Policy cancellation remains under control and standing at 0% during the quarter showing our quality of sales. "Participation from AII" is a continue process which is supporting the business to generate maximum number of applications through branches.

Consumer Banking

Consumer Banking Division has always maintained focus on providing unparalleled services to its valued customers. Even in these difficult times due to ongoing COVID-19 pandemic where lockdown was implemented by the state, we have risen above conventional banking norms and have been innovating new ways to provide uninterrupted customer service. Working on SBP relief package, principal deferment of up to 1 year and option to restructure / reschedule loans were offered to all eligible customers, including relief installment plan option for credit card customers.

Unsecured Loan Portfolio:

Many other value adding projects such as offering Verified by Visa (VBV) features on Visa Debit Card (VDC), New and enhanced VDC with Dual Interface, Extended Payment Plan and Balance transfer facility (BTF) with separate rates in Ready Line, payment holiday option in Personal Loan and vast menu of Insurance products are under different stages of development to be offered to our valued customers. On the credit cards front, a multi-tiered strategy was adopted to facilitate customers in receiving billing statements and making repayments on time, while a whole host of credit card spend campaigns were launched to help customers during these troubled times. New features including Contactless card, tokenization and value-added services Enrollment via Mobile Banking are also under development.

Despite lockdown being implemented in the month of March 2020, which has affected growth of all business segments throughout the country, we outperformed by booking a combined total of fresh 12,446 accounts in 1st quarter. 3,727 additional accounts were booked in Ready Line and 959 accounts were booked in Personal Installment Loan with the total limit disbursed of above PKR. 1 billion while 7,760 fresh credit cards were also issued during the quarter. The total ENR stands at PKR. 19.4 Billion in Credit Cards, Personal Installment Loan & Ready Line combined. This lead us in dominating the market with 38% market share among peer banks for Consumer Assets while we also continue to be one of the leading fresh credit card issuers in the market.

- **Personal Loans:** Keeping in mind the return of capital employed ratios of every product under current economic condition, the management took a calculated strategic move to temporarily shift the focus from Personal Installment Loan to other products for the first half of the year.

However, to support our valued customers in this difficult ongoing situation due to COVID-19 pandemic, pay early and get rewarded promotion was launched offering a chance to win 1.5-ton inverter AC to 3 lucky winners.

The Portfolio stands with active customer base of 24,624 taking the total ENR of Rs. 6.26 billion.

- **Ready Line:** In the 1st quarter of 2020, working with an ambition to provide more secured transactional platforms, couple of exciting activation promotions for EMV complaint Chip and Pin debit card were launched offering prizes such as iPhone 11 pro and 32" LED TV. All Digital channels were aggressively promoted through various marketing mediums.

Strategizing to overachieve acquisition targets, innovative promotion in which 50% mark-up waiver on first two bills was launched. In order to help lessen the financial burden placed on customers during these tough times spend promotion offering 100% cashback to 100 lucky winners as well as pay early and get rewarded promotion were launched.

We were able to close 1st Quarter of 2020 with Ready line ENR of Rs. 7.71 billion and a total customer base of 50,719 customers.

Credit Cards:

The early momentum gained at the beginning of the year was offset by the negative impact of Covid-19 towards the second half of March 2020. Total Credit Card acquisition for 1st Quarter of 2020 was 7,760 cards and Cards in Force increased to 167,066. Total spending on credit cards for the quarter was PKR 6.1 Billion while ENR stood at PKR 5.4 Billion. During Q1, we took several key initiatives including the launch of digital credit card mailer which will not only save on printing and stationary cost but also serve as a more convenient option for customers. A whole host of credit card campaigns were also launched, including repayment campaigns, Balance Transfer Offers and Spend promotions. In March, as the pandemic started to take grip on the economy, we shifted our focus towards containment measures to dampen the adverse effects. Multiple campaigns were launched to shift customers to e-statements to counter suspension of courier services, while credit card repayment campaigns were also launched to safeguard our exposure. We also devised a game plan to facilitate customers for making their Credit Cards payments through digital channels. A 360 degree communication strategy was put in place to educate customers. Silkbank is one of the top banks to receive Credit Cards payments through digital channels. Various Relief measures were also launched to support customers in their repayments under SBP relief package. Similarly, we also focused our efforts towards online spending by immediately launching online spend campaigns. Credit Card Alliances played an instrumental role in promptly partnering up with online merchants and healthcare providers.

Secured**M'Power:**

Fresh acquisition remained halted and focus was on retention of good portfolio. Silkbank M'Power, a running finance facility secured against residential and commercial properties stands at an ENR of Rs. 1.76 billion.

Emaan Islamic Banking (Emaan)**Emaan Islamic Banking**

Emaan Islamic Banking reported decent growth during 1st Quarter 2020. Deposit book increased by Rs. 4,648 million; standing at Rs. 37,923 million. Advances book closed at Rs. 27,955 million. Focus on Service Quality was maintained throughout the period.

Compliance with Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR)

As at March 31, 2020, the equity of the Bank stood at Rs. 9.94 billion excluding surplus on revaluation of assets. This includes share capital (net of losses and discount on shares) of Rs. 9.11 billion. By virtue of the same, the Capital Adequacy Ratio (CAR) of the Bank is 5.83 %.

The Bank is pleased to report that in the declining interest rate scenario, the Bank built up its PIB portfolio to ride the yield curve and record capital gains. The said fixed return portfolio currently stands at Rs. 91 billion approximately.

The said strategy of the Bank has reaped great results and helped the Bank to record major gains to the tune of Rs. 540 million in 4th quarter ended December 31, 2019 and Rs. 925 million in first quarter ended March 31, 2020.

Furthermore, the Board has given certain targets to the management that will ensure improvement in all key ratios of the Bank in 2020.

The Bank is committed to adhere to the following targets.

Key steps are enumerated below:

- a. Reduction in Corporate / Real Estate portfolio of the Bank.
- b. Reduction in non-earning assets (OREO, others).
- c. Improvement in profitability of the Bank in 2020.
- d. Reduction in advances in the Corporate / Islamic portfolio will be compensated by increase in Consumer and SME loans, the magnitude of which may not be large but will have a positive effect on profitability, due to bigger margins.
- e. Closure / shifting of loss-making branches.
- f. Fully integrated digital experience with physical distribution.

The Bank is confident of achieving CAR compliance in 2020.

Credit Rating:

The long-term entity rating of the Bank is A- (Single A Minus) and the short-term rating is A-2 (A-Two) as determined by "JCR VIS" Credit Rating Company Limited. The outlook on the assigned rating is "Stable".

Future Outlook:

The Bank's progress in 2019 was curtailed due to decline in real estate prices on account of the economic situation of the country.

The unexpected ban on construction of high-rise buildings in Karachi by the Supreme Court of Pakistan for a certain period of time adversely affected the Real Estate projects financed by the Bank.

As a result, the Bank had to classify lucrative Real Estate loans on prudent basis, with a concrete recovery plan in place.

Furthermore, the SBP during its last inspection identified a security shortfall in the real estate portfolio of the Bank.

However, with the support of SBP, the shortfall so identified has been more than adequately covered through additional collateral valued by SBP nominated valuers.

The Bank expects substantial payment against these loans in 2020, which would make these accounts regular and improve the bottom line of the Bank. Letter of Intents evidencing the future sale of major real estate portfolio of the Bank already stands executed, with established timelines.

As a result of the declining interest rate in 2020, the Bank has already booked an unreported gain of over Rs. 4.4 billion approximately in second quarter ended June 30, 2020 on its PIB portfolio.

This portfolio is expected to yield further gains for the Bank with further expected decrease in the discount rate.

Additionally, the Board has required the management to make efforts to revive, the mortgage assets business for further growth in the consumer banking business. Most importantly, the Bank will increasingly emphasize on its human capital by strengthening "a pay for performance culture" and improved succession planning process.

In order to provide a platform to cater to the unbanked population, the Bank has piloted the launch of digital banking to increase its outreach.

By introducing the "smart branch" concept, the Bank will also increase its distribution footprint. This will enhance the Bank's ability to mobilize deposits and invest increasingly in earning assets.

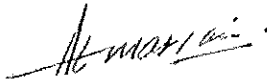
With the successful implementation of the strategies outlined above, your Directors are hopeful that the profitable growth of the Bank will continue in the years to come.

Acknowledgement:


We, once again, take this opportunity to express our deepest gratitude to our customers and business partners for their continued support and trust, and our sincere appreciation to the State Bank of Pakistan for their guidance and cooperation.

We are also equally thankful to our associates, staff and colleagues for their committed services, and look forward to their continued support.

**For and on Behalf of the Board
of Silkbank Limited**



**Azmat Tarin
President & CEO**



**Khalid Aziz Mirza
Acting Chairman**

Karachi, June 30, 2020

SILKBANK LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

		March 31, 2020 Un-audited	December 31, 2019 Audited
	Note	Rupees in '000	
ASSETS			
Cash and balances with treasury banks	8	12,018,975	11,838,682
Balances with other banks	9	1,145,541	1,168,163
Lendings to financial institutions	10	13,796,311	18,101,837
Investments	11	82,520,933	36,245,350
Advances	12	102,778,737	105,374,947
Fixed assets	13	5,670,953	5,910,389
Intangible assets	14	225,426	217,077
Deferred tax assets	15	4,128,159	4,864,227
Other assets	16	20,420,316	19,737,679
Asset held for sale	17	2,229,729	2,229,729
		244,935,080	205,688,080
LIABILITIES			
Bills payable	18	1,449,196	2,483,658
Borrowings	19	60,551,320	31,973,231
Deposits and other accounts	20	159,318,442	148,853,513
Liabilities against assets subject to finance lease		-	-
Subordinated debt	21	2,206,218	2,125,418
Deferred tax liabilities		-	-
Other liabilities	22	9,270,153	9,480,373
		232,795,329	194,916,193
NET ASSETS		12,139,751	10,771,887
REPRESENTED BY			
Shareholders' equity			
Share capital - net	23	23,431,374	23,431,374
Reserves		820,890	820,890
Surplus on revaluation of assets - net of tax	24	2,203,981	256,510
Accumulated loss		(14,316,494)	(13,736,887)
		12,139,751	10,771,887
CONTINGENCIES AND COMMITMENTS			
	25		

The annexed notes 1 to 45 form an integral part of these financial statements.


Chief Financial Officer


President & Chief Executive Officer


Director

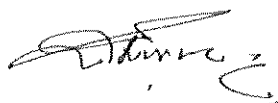

Director


Director

SILKBANK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - UNAUDITED
FOR THE QUARTER ENDED MARCH 31, 2020

		March 31, 2020	March 31, 2019
	Note	Rupees in '000	
Mark-up / return / profit / interest earned	27	5,730,288	4,615,882
Mark-up / return / profit / interest expensed	28	(5,645,876)	(2,860,326)
Net Mark-up / return / profit / interest income		84,412	1,755,556
NON MARK-UP / INTEREST INCOME			
Fee and commission income	29	603,456	504,591
Dividend income		-	-
Foreign exchange (loss) / income		(596,690)	79,076
Income from derivatives		741,102	29,914
Gain / (loss) on securities	30	922,177	(17,028)
Other income	31	58,282	119,402
Total non-markup / interest income		1,728,327	715,955
Total income		1,812,739	2,471,511
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	32	(1,836,840)	(1,902,770)
Workers Welfare Fund		-	(2,231)
Other charges	33	(12,359)	(110,767)
Total non-markup / interest expenses		(1,849,199)	(2,015,768)
(Loss) / Profit before provisions, extra ordinary / unusual item and taxation		(36,460)	455,743
Provisions and write offs - net	34	(856,612)	(346,418)
Extra ordinary / unusual items		-	-
(LOSS) / PROFIT BEFORE TAXATION		(893,072)	109,325
Taxation	35	312,571	(40,535)
(LOSS) / PROFIT AFTER TAXATION		(580,501)	68,790
Rupee			
Basic and Diluted (Loss) / Earnings Per Share	36	(0.06)	0.01

The annexed notes 1 to 45 form an integral part of these financial statements.



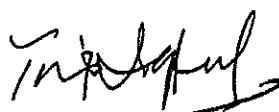
Chief Financial Officer




President & Chief Executive Officer



Director



Director



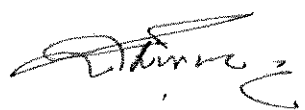
Director

SILKBANK LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED
FOR THE QUARTER ENDED MARCH 31, 2020

	March 31, 2020	March 31, 2019
	Rupees in '000	
(Loss) / profit after tax for the period	(580,501)	68,790
Other comprehensive income / (loss)		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus / (deficit) on revaluation of investments - net of tax	1,948,052	67,510
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of fixed assets - net of tax	(581)	(581)
Total comprehensive income	<u>1,366,970</u>	<u>135,719</u>

The annexed notes 1 to 45 form an integral part of these financial statements.



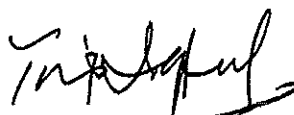
Chief Financial Officer



President & Chief Executive Officer



Director



Director



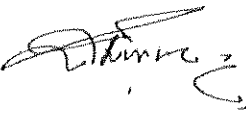
Director

SILKBANK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED
FOR THE QUARTER ENDED MARCH 31, 2020


Share Capital	Surplus / (deficit) on revaluation of		Capital Reserve	Revenue Reserve	Total Equity
	Investments	Fixed / Non Banking Assets	Statutory Reserve*	Accumulated Loss	
Rupees in '000					
23,431,374	(144,910)	76,703	820,890	(9,797,310)	14,386,747
-	-	-	-	68,790	68,790
-	67,510	(581)	-	-	66,929
-	-	-	-	895	895
23,431,374	(77,400)	76,122	820,890	(9,727,625)	14,523,361
-	-	-	-	(4,021,793)	(4,021,793)
-	260,126	(2,338)	-	8,936	266,724
-	-	-	-	2,684	2,684
-	-	-	-	911	911
23,431,374	182,726	73,784	820,890	(13,736,887)	10,771,887
-	-	-	-	(580,501)	(580,501)
-	1,948,052	(581)	-	-	1,947,471
-	-	-	-	894	894
23,431,374	2,130,778	73,203	820,890	(14,316,494)	12,139,751

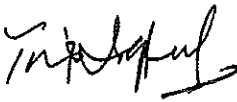
* Statutory reserves represent amount set aside as per requirements of section 21 of the Banking Companies Ordinance, 1962.

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Chief Financial Officer


President & Chief Executive Officer


Director


Director

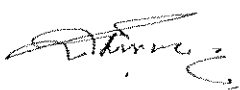

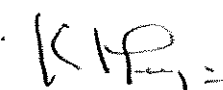
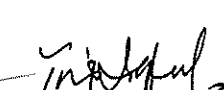


Director

SILKBANK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT - UNAUDITED
FOR THE QUARTER ENDED MARCH 31, 2020

FOR THE QUARTER ENDED MARCH 31, 2020

		March 31, 2020	March 31, 2019
	Note	Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(893,072)	109,325
Less: Dividend income		-	-
		(893,072)	109,325
Adjustments:			
Depreciation on fixed assets	32	103,566	106,530
Depreciation on right-of-use assets	32	168,345	-
Depreciation on non-banking assets acquired in satisfaction of claims	32	16,164	17,594
Amortization of intangible assets	32	18,497	13,924
Amortization of premium on investments - net		(194,961)	20,185
Finance charges on right-of-use assets	28	113,445	-
Provisions against loans & advances	34	899,553	388,706
Gain on sale of fixed assets	31	(299)	(252)
Unrealized gain on revaluation of investments - held-for-trading	30	(48,842)	-
Loss / (gain) on sale of non-banking assets acquired in satisfaction of claims	31	21,404	(5,769)
Write offs against fixed assets	34	8	1,772
		1,096,880	542,690
		203,808	652,015
Decrease / (increase) in operating assets			
Lendings to financial institutions		4,305,526	2,092,983
Net investments in held-for-trading securities		(10,491,317)	10,051,437
Advances		1,696,657	(3,825,337)
Other assets (excluding advance taxation)		(672,939)	(629,122)
		(5,162,073)	7,689,961
(Decrease) / increase in operating liabilities			
Bills payable		(1,034,462)	(855,508)
Borrowings		28,578,089	(6,402,673)
Deposits		10,464,929	(133,413)
Other liabilities (excluding current taxation)		(142,200)	633,071
		37,866,356	(6,758,523)
		32,908,091	1,583,453
Income tax paid		(107,266)	(277,945)
Net cash flow from / (used in) operating activities		32,800,825	1,305,508
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in available-for-sale securities		(32,543,459)	124,291
Net investment in held-to-maturity securities		-	(257,658)
Net investment in fixed assets and intangible assets		(68,554)	(146,827)
Proceeds on disposal of non-banking assets acquired in satisfaction of claims		60,000	160,000
Proceeds on disposal of fixed assets		9,524	9,151
Net cash flow generated used in investing activities		(32,542,489)	(111,043)
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts / (repayments) of subordinated debts		80,800	(200)
Payment of finance lease obligation		-	(1,122)
Payment of lease liability against right-of-use assets		(181,465)	-
Net cash flow used in financing activities		(100,665)	(1,322)
Increase in cash and cash equivalents		157,671	1,193,143
Cash and cash equivalents at the beginning of the period		13,006,845	9,181,561
Cash and cash equivalents at the end of the period	37	13,164,516	10,374,704

The annexed notes 1 to 45 form an integral part of these financial statements.

Chief Financial
Officer

President & Chief
Executive Officer

Director

Director

Director

SILKBANK Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED **FOR THE QUARTER ENDED MARCH 31, 2020**

1 STATUS AND NATURE OF BUSINESS

Silkbank Limited ("the Bank") was incorporated in Pakistan on April 04, 1994 as a public limited company under the Companies Act, 2017. The Bank commenced commercial operations on May 7, 1995. The Bank's shares are quoted on Pakistan Stock Exchange Limited. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Bank operates through 123 branches (December 31, 2018: 123 branches) including 30 (December 31, 2018: 30) Islamic banking branches in Pakistan. The Bank's registered office is located at Silkbank Building, 13-L, F-7 Markaz, Islamabad. The short-term and long-term credit ratings of the Bank rated by JCR-VIS Credit Rating Company Limited in June 2019 are 'A-2' and 'A-' respectively.

Major shareholders of the Bank as on March 31, 2020 are Sinthos Capital (comprising of Mr. Shaukat Tarin, Mr. Sadeq Sayeed and Mr. Azmat Tarin), Arif Habib Corporation Limited, International Finance Corporation (IFC), Nomura European Investment Limited, Bank Muscat S.A.O.G and Mr. Zulqarnain Nawaz Chatta / Mr. Zubair Nawaz Chatta of Gourmet Group.

As at March 31, 2020, the equity of the Bank is Rs. 9.94 billion excluding surplus on revaluation of assets. This includes share capital (net of losses and discount on shares) of Rs. 9.11 billion against the Minimum Capital Requirement (MCR) of Rs. 10 billion as prescribed by State Bank of Pakistan (SBP). Further, the Capital Adequacy Ratio (CAR) of the Bank is 5.83% (2019: 5.81%) against the minimum CAR requirement of SBP of 11.50% (2019: 12.50%). Consequently, the Bank is non-compliant with MCR and CAR at March 31, 2020 end which can expose the Bank to regulatory actions under the Banking laws.

The management of the Bank has taken following steps to improve the financial position of the Bank and to meet the requirement for MCR and CAR till the approval of the financial statements for the period ending June 30, 2020 as per the plan submitted by the Bank.

1. Subsequent to the year end, the Bank has realized capital gains amounting to approximately Rs. 5.5 billion from the sale of government securities and additional Rs. 1.4 billion approximately (based on the PKRV rate issued on June 26, 2020, applicable for June 29, 2020) also available as revaluation surplus.
2. Letters of Intent (LOI) have been signed between the Bank's borrowers dealing in real estate and Federal Government Employee Housing Authority (FGEHA) for the sale of certain underlying properties where substantial payment is expected shortly. Additionally, the government has announced a stimulus package to uplift and provide the necessary support to the real estate/construction sector. Based on these positive developments, the Bank is confident that the NPL's would be cured shortly.
3. The Bank continues to meet Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).
4. The sponsor has prepared and submitted the capital plan to SBP in order to meet the capital shortfall, if any.

Sponsors/Directors are of the opinion that, taking into account the above mentioned plans and measures, the Bank would meet with the requirement of MCR and CAR till the approval of the financial statements for the period ending June 30, 2020

Further, SBP has allowed staggering of provision against non-performing loans (refer note 12.3.2) amounting to Rs 2.71 billion and allowed to treat the general provision held against consumer financing as part of Common Equity Tier I instead of Tier II for the purpose of CAR calculation. Had this benefit not been taken by the Bank, profit before tax and CAR would have been lower by Rs. 1.76 billion and 2.58% respectively.

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 SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the 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 financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon.
- 2.2** The Islamic banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified under the provisions of the Companies Act, 2017 except for the adoption of IFAS-3 'Profit & Loss Sharing on Deposits' as disclosed in note 3.3.
- 2.3** The financial results of the Islamic banking branches have been included in these condensed interim financial statements for reporting purposes, after eliminating material inter-branch transactions / balances. Key financial figures of the Islamic banking branches are disclosed in note 42 to these condensed interim financial statements.

3 STATEMENT OF COMPLIANCE

- 3.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:
- The accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as are notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017;
 - Directives issued by the SBP and the Securities and Exchange Commission of Pakistan ("SECP") from time to time.

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

- 3.2** The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and IAS 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. Further, the SECP has deferred the applicability of IFRS 7 'Financial Instruments: Disclosures' on banks through S.R.O. 411(1) / 2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.
- 3.3** The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of IFAS-3 for Profit & Loss Sharing on Deposits (IFAS-3) issued by the ICAP and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). The standard will result in certain new disclosures in the condensed interim financial statements of the Bank.
- 3.4** The disclosures made in these condensed interim financial statements are limited based on the format prescribed by the SBP vide BPRD circular letter No. 5 dated March 22, 2019 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and do not include all the information required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended December 31, 2019.

4 BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention, except that certain fixed assets and non-banking assets acquired in satisfaction of claims are stated at revalued amounts less accumulated depreciation and accumulated impairment losses (where applicable) and certain investments and derivative financial instruments have been measured at fair value and net obligations in respect of defined benefit scheme are carried at their present value.

These condensed interim financial statements have been prepared in Pakistani Rupee which is the functional and presentation currency of the Bank. The amounts are rounded off to the nearest thousand rupee, unless otherwise stated.

5 SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Standards, interpretations of and amendments to accounting and reporting standards that are not yet effective

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

Standard, Interpretation or Amendment	Effective date (annual periods beginning on
IFRS 9 - Financial Instruments: Classification and Measurement	January 01, 2021

The SBP through BPRD Circular Letter no. 4 dated October 23, 2019, the applicability of IFRS 9 to banks in Pakistan has been deferred to accounting periods beginning on or after January 1, 2021.

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

There are certain new and amended standards and interpretations as referred to in note 4.3 to the Bank's financial statements for the year ended December 31, 2019, that are mandatory for the Bank's accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these condensed interim financial statements.

6.2 Standards, interpretations of and amendments to accounting and reporting standards that are effective in the year 2020

As referred to in note 4.3 to the Bank's financial statements for the year ended December 31, 2019, there are certain standards, amendments and interpretations that are effective for the annual period beginning on or after January 1, 2019 other than those disclosed in note 5.1. These are considered either not to be relevant or not to have any significant impact on the Bank's condensed interim financial statements

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis and methods used for critical accounting estimates and judgments adopted in these condensed interim financial information are same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2019.

7 FINANCIAL RISK MANAGEMENT

The Bank's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2019.

		March 31, 2020 Un-audited	December 31, 2019 Audited
	Note	Rupees in '000	
8 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		1,889,201	1,677,165
Foreign currencies		959,369	1,094,328
		2,848,570	2,771,493
With State Bank of Pakistan in			
Local currency current account	8.1	6,976,353	6,784,412
Foreign currency current account		707,288	685,106
Foreign currency deposit account	8.2	1,325,077	1,276,607
		9,008,718	8,746,125
With National Bank of Pakistan in			
Local currency current account		148,340	198,679
National Prize Bonds		13,347	122,385
		<u>12,018,975</u>	<u>11,838,682</u>
8.1	Deposits with the SBP are maintained to comply with the statutory requirements of the SBP issued from time to time (section 22 of the Banking Companies Ordinance, 1962).		
8.2	This represents account maintained with the SBP to comply with Special Cash Reserve requirement (FE-25 scheme, as prescribed by SBP). It carries interest rates ranging from 0.51% to 0.76% (December 31, 2019: 0.70% to 1.51%).		
		March 31, 2020 Un-audited	December 31, 2019 Audited
		Rupees in '000	
9 BALANCES WITH OTHER BANKS			
In Pakistan			
In current account		313,118	105,487
In deposit account		71	68
		313,189	105,555
Outside Pakistan			
In current account		832,352	1,062,608
		<u>1,145,541</u>	<u>1,168,163</u>
10 LENDINGS TO FINANCIAL INSTITUTIONS			
Repurchase agreement lendings (Reverse repo)		10,031,953	13,751,114
Foreign placement		969,715	900,748
Bai Muajjal receivable from State Bank of Pakistan		2,794,643	3,449,975
		<u>13,796,311</u>	<u>18,101,837</u>

11 INVESTMENTS

11.1 Investments by type:	March 31, 2020 - (Un-audited)				December 31, 2019 - Audited			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Rupees in '000							
Held-for-trading securities								
Federal Government Securities								
Market Treasury Bills	5,442,936	-	294	5,443,230	-	-	-	-
Pakistan Investment Bonds	4,055,193	-	45,152	4,100,345	-	-	-	-
GOP Ijarah Sukuks	996,604	-	3,396	1,000,000	-	-	-	-
Shares								
Listed	-	-	-	-	2,150	-	1,266	3,416
	10,494,733	-	48,842	10,543,575	2,150	-	1,266	3,416
Available-for-sale securities								
Federal Government Securities								
Market Treasury Bills	-	-	-	-	3,536,303	-	(597)	3,535,706
Pakistan Investment Bonds	65,584,313	-	3,223,173	68,807,486	29,007,986	-	76,368	29,084,354
GOP Ijarah Sukuks	1,984,106	-	16,894	2,000,000	2,272,265	-	4,735	2,277,000
Shares								
Listed	490,714	-	37,207	527,921	487,526	-	202,955	690,481
Unlisted	5,680	(5,680)	-	-	5,680	(5,680)	-	-
Non Government Debt Securities								
Sukuks - Listed	213,066	-	1,846	214,912	229,699	-	(2,345)	227,354
Term Finance Certificates - Listed	37,500	-	-	37,500	37,500	-	-	37,500
Term Finance Certificates - Unlisted	8,780	(8,780)	-	-	8,780	(8,780)	-	-
	68,324,159	(14,460)	3,278,120	71,687,819	35,585,739	(14,460)	281,116	35,852,395
Held-to-maturity securities								
Shares repurchase (fully provided)	74,910	(74,910)	-	-	74,910	(74,910)	-	-
Other Federal Government Securities	257,658	-	-	257,658	257,658	-	-	257,658
	332,568	(74,910)	-	257,658	332,568	(74,910)	-	257,658
Associates								
SPI Insurance Company Limited	131,881	-	-	131,881	131,881	-	-	131,881
Total Investments	79,283,341	(89,370)	3,326,962	82,520,933	36,052,338	(89,370)	282,382	36,245,350

11.2 Investments by segments:	March 31, 2020 - (Un-audited)				December 31, 2019 - Audited			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Rupees in '000							
Federal Government Securities								
Market Treasury Bills	5,442,936	-	294	5,443,230	3,536,303	-	(597)	3,535,706
Pakistan Investment Bonds	69,639,506	-	3,268,325	72,907,831	29,007,986	-	76,368	29,084,354
GOP Ijarah Sukuks	2,980,710	-	19,290	3,000,000	2,272,265	-	4,735	2,277,000
Bai Muajjal	257,658	-	-	257,658	257,658	-	-	257,658
	78,320,810	-	3,287,909	81,608,719	35,074,212	-	80,506	35,154,718
Shares								
Listed companies	490,714	-	37,207	527,921	489,676	-	204,221	693,897
Unlisted companies	5,680	(5,680)	-	-	5,680	(5,680)	-	-
	496,394	(5,680)	37,207	527,921	495,356	(5,680)	204,221	693,897
Non Government Debt Securities								
Sukuks - Listed	213,066	-	1,846	214,912	229,699	-	(2,345)	227,354
Term Finance Certificates - Listed	37,500	-	-	37,500	37,500	-	-	37,500
Term Finance Certificates - Unlisted	8,780	(8,780)	-	-	8,780	(8,780)	-	-
	259,346	(8,780)	1,846	252,412	275,979	(8,780)	(2,345)	264,854
Shares repurchase (fully provided)	74,910	(74,910)	-	-	74,910	(74,910)	-	-
Associates								
SPI Insurance Company Limited	131,881	-	-	131,881	131,881	-	-	131,881
Total investments	79,283,341	(89,370)	3,326,962	82,520,933	36,052,338	(89,370)	282,382	36,245,350

	March 31, 2020 Un-audited	December 31, 2019 Audited
	Rupees in '000	
11.2.1 Investments given as collateral		
Pakistan Investment Bonds	59,371,479	21,753,482
	<u>59,371,479</u>	<u>21,753,482</u>
11.3 Provision for diminution in value of investments		
11.3.1 Opening balance	89,370	89,370
Charge / (reversals)		
Charge for the period / year	-	-
Reversals for the period / year	-	-
Amounts written off	-	-
Closing balance	<u>89,370</u>	<u>89,370</u>

11.3.2 Particulars of provision against debt securities

Category of classification	March 31, 2020 - (Un-audited)		December 31, 2019 - Audited	
	Non Performing Investments	Provision	Non Performing Investments	Provision
	Rupees in '000			
Domestic	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	83,690	83,690	83,690	83,690
Total	<u>83,690</u>	<u>83,690</u>	<u>83,690</u>	<u>83,690</u>

11.4 The market value of securities classified as held-to-maturity is Rs. 258 million (December 31, 2019: Rs. 258).

12 ADVANCES

	Note	Performing		Non Performing		Total	
		March 31, 2020 Un-audited	December 31, 2019 Audited	March 31, 2020 Un-audited	December 31, 2019 Audited	March 31, 2020 Un-audited	December 31, 2019 Audited
		Rupees in '000					
Loans, cash credits, running finances, etc.		69,392,077	71,248,276	12,222,505	11,976,290	81,614,582	83,224,566
Islamic financing and related assets	42.3	5,002,776	5,252,194	22,963,097	22,749,680	27,965,872	28,001,854
Bills discounted and purchased		659,971	1,007,349	3,113	3,113	663,084	1,010,462
Advances - gross		<u>75,054,823</u>	<u>77,507,819</u>	<u>35,188,715</u>	<u>34,729,063</u>	<u>110,243,538</u>	<u>112,236,882</u>
Provision against advances	12.3						
- Specific		-	-	6,718,134	6,077,627	6,718,134	6,077,627
- General		746,667	784,308	-	-	746,667	784,308
		<u>746,667</u>	<u>784,308</u>	<u>6,718,134</u>	<u>6,077,627</u>	<u>7,464,801</u>	<u>6,861,935</u>
Advances - net of provision		<u>74,308,156</u>	<u>76,723,511</u>	<u>28,470,581</u>	<u>28,651,436</u>	<u>102,778,737</u>	<u>105,374,947</u>

	March 31, 2020 Un-audited	December 31, 2019 Audited
	Rupees in '000	
12.1 Particulars of advances (Gross)		
In local currency	110,243,538	112,236,882
In foreign currencies	-	-
	<u>110,243,538</u>	<u>112,236,882</u>

12.2 Advances include Rs. 35,189 million (December 31, 2019: Rs. 34,729 million) which have been placed under non-performing status as detailed below:

Category of classification - specific	March 31, 2020 - (Un-audited)		December 31, 2019 - Audited	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	Rupees in '000			
Domestic	1,053,605	118,117	1,543,094	196,926
Substandard	6,710,823	732,218	4,911,888	516,582
Doubtful	28,424,387	5,867,799	28,274,081	5,384,119
Loss	35,188,715	6,718,134	34,729,063	6,077,627
Total	<u>35,188,715</u>	<u>6,718,134</u>	<u>34,729,063</u>	<u>6,077,627</u>

12.3 Particulars of provision against non performing advances:

	Note	March 31, 2020 - (Un-audited)			December 31, 2019 - Audited		
		Specific	General	Total	Specific	General	Total
		Rupees in '000					
Opening balance		6,077,627	784,308	6,861,935	4,524,443	687,723	5,212,166
Charge for the period / year		985,443	-	985,443	2,728,584	96,585	2,825,169
Reversals for the period / year		(48,249)	(37,641)	(85,890)	(189,953)	-	(189,953)
	34	937,194	(37,641)	899,553	2,538,631	96,585	2,635,216
Amounts written off		(296,687)	-	(296,687)	(985,447)	-	(985,447)
Closing balance		<u>6,718,134</u>	<u>746,667</u>	<u>7,464,801</u>	<u>6,077,627</u>	<u>784,308</u>	<u>6,861,935</u>

- 12.3.1** The Bank recorded additional NPL's in 2019, by and large, arising out of the accounts of the borrowers engaged in the businesses of real estate/construction sector. This is mainly due to slow down in the businesses activities of these sectors, tax issues relating to these businesses and the ban on construction of high rise buildings in Karachi. However, a Letter of Interest (LOI) has been signed between the borrower and Federal Government Employee Housing Authority (FGEHA) for the sale of these underlying properties where substantial payment is expected shortly. Additionally, the government had announced a stimulus package to uplift and provide the necessary support to the real estate / construction sector. Based on these positive developments, bank is confident that the NPL's would be cured shortly.
- 12.3.2** It includes Islamic advances amounting to Rs. 20,160.95 million (2019: Rs. 20,160.95) to certain borrowers who are engaged in primarily general trading and real estate business, which are mainly secured against mortgage of underdeveloped/undeveloped properties. During the year 2019, the Bank has provided for the above said exposure in loss category as directed by the SBP resulting in provision of Rs.2,712.985 million after taking FSV benefit. Bank has recorded 20% provision amounted to Rs. 542.597 million in the year ending December 31, 2019, 15% provision amounted to Rs. 406.948 in the period ending March 31, 2020 and 65% of the said provision amounting to Rs. 1,763.44 million will be recognized in period ending June 30, 2020, as directed by SBP vide its letter dated June 24, 2020.
- 12.3.3** SBP vide various circulars has amended Prudential Regulations in respect of provisioning against non-performing advances under which the benefit of Forced Sale Value (FSV) has been allowed for plant and machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing advances upto five years from the date of classification.
- 12.3.4** As of March 31, 2020, the Bank has availed FSV benefits against all non performing advances. Had the benefit not been taken by the Bank, loss after tax would have been higher by Rs.7,578 million (December 31, 2019: Rs. 5,738 million), which shall not be available for payment of cash or stock dividend / bonus to employees.
- 12.3.5** As per Prudential Regulation for consumer financing issued by the SBP, percentage of reserve is linked to non-performing loans to gross loans ratio. Consequently, the general provisioning on consumer financing is maintained at 4% (December 31, 2019: 4%) of unsecured portfolio of the Bank.

		March 31, 2020 Un-audited	December 31, 2019 Audited
	Note	Rupees in '000	
13	FIXED ASSETS		
Capital work-in-progress	13.1	14,493	38,078
Property and equipment		1,637,756	1,685,262
Right-of-use assets		4,018,704	4,187,049
		<u>5,670,953</u>	<u>5,910,389</u>
13.1	Capital work-in-progress		
Civil works		1,133	808
Advances to suppliers and contractors		13,360	37,270
		<u>14,493</u>	<u>38,078</u>

	March 31, 2020 Un-audited	March 31, 2019 Un-audited
	Rupees in '000	
13.2 Additions to fixed assets		
The following additions have been made to fixed assets during the period:		
Capital work-in-progress	2,839	54,974
Property and equipment		
Furniture and fixture	2,925	8,053
Electrical office, and computer equipment	16,509	42,797
Vehicles	41,525	57,667
Leasehold Improvements	4,334	17,543
	65,293	126,060
Total	68,132	181,034
13.3 Disposal of fixed assets		
The net book value of fixed assets disposed off during the period is as follows:		
Furniture and fixture	-	219
Electrical office, and computer equipment	111	38
Vehicles	9,114	8,642
Total	9,225	8,899
	March 31, 2020 Un-audited	December 31, 2019 Audited
	Rupees in '000	
14 INTANGIBLE ASSETS		
Capital work-in-progress	83,827	63,919
Software	141,599	153,158
	225,426	217,077
	March 31, 2020 Un-audited	March 31, 2019 Un-audited
	Rupees in '000	
14.1 Additions to intangible assets		
The following additions have been made to intangible assets during the period:		
Capital work-in-progress	20,492	5,885
Software (directly purchased)	6,938	15,796
Total	27,430	21,681

		March 31, 2020 Un-audited	December 31, 2019 Audited
		Rupees in '000	
15	DEFERRED TAX ASSETS		
	Deductible Temporary Differences on		
	- Tax losses carried forward	1,638,990	1,498,167
	- Post retirement employee benefits	2,713	2,713
	- Provision for diminution in value of investments	3,073	3,073
	- Provision against non-performing advances	2,797,700	2,658,631
	- Provision against Workers' Welfare Fund (WWF)	47,094	47,094
	- Provision against other assets	206,198	216,018
	- Depreciation on non-banking assets	90,801	86,113
	- Unabsorbed tax depreciation	593,885	566,867
		5,380,454	5,078,676
	Taxable Temporary Differences on		
	- Surplus on revaluation of investments	(1,147,342)	(98,390)
	- Surplus on revaluation of non-banking assets	24 (2,216)	(2,216)
	- Surplus on revaluation of fixed assets	24 (10,961)	(11,274)
	- Accelerated tax depreciation	(91,776)	(102,569)
		(1,252,295)	(214,449)
		4,128,159	4,864,227

- 15.1** The Bank has an aggregate amount of deferred tax assets of Rs. 4,128 million (December 31, 2019: Rs. 4,864 million) which represents management's best estimate of the probable benefits expected to be realised in future years in the form of reduced tax liability as the Bank would be able to set off the profits earned in those years against taxable temporary differences relating to prior years. The Bank has prepared five years financial projections for future taxable profits, which have been approved by the Board of Directors of the Bank, to assess the recoverability of deferred tax assets. The projections involve certain key management assumptions underlying the estimation of future taxable profits. The determination of future taxable profits is most sensitive to certain key assumptions such as growth of low cost deposits, growth in high yield consumer advances, investment returns, branch expansion plans, potential provision against assets, interest rates, cost of funds and expected recoveries of classified loans. Any significant change in such assumptions may have an effect on the recoverability of the deferred tax assets. Management believes that it is probable that the Bank will be able to achieve the profits and consequently, the deferred tax asset will be fully realised in future.

		March 31, 2020 Un-audited	December 31, 2019 Audited
		Rupees in '000	
16	OTHER ASSETS		
	Income / mark-up accrued in local currency - net of provision	5,948,285	5,823,652
	Income / mark-up accrued in foreign currency - net of provision	693	555
	Accrued rent	394,018	354,618
	Advances, deposits, advance rent and other prepayments	408,767	416,787
	Profit paid in advance on fixed deposits	234,107	241,151
	Advance taxation (payments less provisions)	1,534,960	1,427,694
	Non-banking assets	16.2 9,875,564	10,001,190
	Branch adjustment account	118,477	-
	Mark to market gain on forward contracts	537,770	82,843
	Acceptances	1,197,818	1,268,440
	Receivable from sale of non-banking assets acquired in satisfaction of claims	286,850	291,050
	Others	426,434	400,184
		20,962,743	20,308,164
	Less: Provision held against other assets	16.3 (574,216)	(602,274)
	Other assets - net of provisions	20,388,527	19,705,890
	Surplus on revaluation of non-banking assets	24 31,789	31,789
	Other assets - total	20,420,316	19,737,679

		March 31, 2020 Un-audited Rupees in '000	December 31, 2019 Audited
16.1	Market value of Non-banking assets acquired in satisfaction of claims	9,341,137	9,438,705
16.2	Non-banking assets		
	- acquired in satisfaction of claims	6,066,412	6,190,224
	- under agreement to sale third parties	3,769,295	3,760,949
	- with buy back option with customers	49,857	50,017
		9,875,564	10,001,190
16.3	Provision held against other assets		
	Non-banking assets acquired in satisfaction of claims	566,216	594,274
	Others	8,000	8,000
		574,216	602,274
16.3.1	Movement in provision held against other assets		
	Opening balance	602,274	623,274
	Charge for the period / year	-	-
	Reversals for the period / year	-	(21,000)
	Net charge for the period / year	-	(21,000)
	Reversal on disposal / write off	(28,068)	-
	Closing balance	574,216	602,274
16.4	The non-banking assets acquired in satisfaction of claims (NBAs) aggregating to Rs.9,341.14 million are currently un-developed and have been evaluated based on the valuation reports from the valuers on Pakistan Bank' Association list of approved valuers. The Bank exposure exceeds the prescribed limit of 2.5% of aggregate advances and investments (excluding investment in Government securities) as prescribed by SBP under regulation Debt Property Swap.		

17 ASSET HELD FOR SALE

On September 10, 2015, the Bank entered into an Agreement to Sell (the Agreement) for the previous Head Office Building of the Bank against sale consideration of Rs. 2,370 million. Pursuant to the terms of the Agreement, the Bank received a down payment of Rs. 118.50 million, which is currently reported in 'other liabilities' (note 22). The remaining balance is required to be paid by the buyer within 5 years from the date of the Agreement. The proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been recognised on the classification of the asset as held for sale.

The Board considered the property to meet the criteria to be classified as held for sale at that date for the following reasons:

- The Property is available for immediate sale and can be sold in its current condition.
- The sale is expected to be completed before the end of financial year ending December 2020.
- The management is committed to a plan to sell and it is unlikely that plan will be significantly changed or withdrawn.

The particulars of the assets to be classified as held for sale and related liabilities are as follows:

	Cost	Accumulated Depreciation	Carrying Amount as at December 31, 2019
	Rupees in '000		
Leasehold land	1,866,750	-	1,866,750
Building on freehold land	622,250	259,271	362,979
	2,489,000	259,271	2,229,729
Liability associated with assets classified as Held for sale			(118,500)
Net assets of disposal group			2,111,229

	March 31, 2020 Un-audited	December 31, 2019 Audited
	Rupees in '000	
18		
BILLS PAYABLE		
In Pakistan	1,449,196	2,483,658
Outside Pakistan	-	-
	1,449,196	2,483,658
19		
BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan under export refinance scheme	1,524,311	1,712,901
Repurchase agreement borrowings	58,584,244	21,597,750
Total secured	60,108,555	23,310,651
Unsecured		
Call borrowings	-	1,289,553
Trading liability	316,619	6,380,152
Overdrawn nostro accounts	126,146	992,875
Total unsecured	442,765	8,662,580
	60,551,320	31,973,231

20 DEPOSITS AND OTHER ACCOUNTS

	March 31, 2020 - (Un-audited)			December 31, 2019 - Audited		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	Rupees in '000					
Customers						
Current deposits	23,765,294	5,016,337	28,781,631	21,547,734	4,788,979	26,336,713
Saving deposits	44,697,080	2,714,293	47,411,373	45,049,599	2,569,948	47,619,547
Term deposits	56,573,128	2,743,492	59,316,620	48,458,516	2,433,754	50,892,270
Margin deposits	896,974	-	896,974	1,680,068	-	1,680,068
Others	1,245,138	-	1,245,138	1,035,119	-	1,035,119
	127,177,614	10,474,122	137,651,736	117,771,036	9,792,681	127,563,717
Financial Institutions						
Current deposits	183,304	11,115	194,419	97,822	39,173	136,995
Saving deposits	20,354,873	21,803	20,376,676	17,442,933	20,229	17,463,162
Term deposits	999,590	96,021	1,095,611	3,600,447	89,192	3,689,639
	21,537,767	128,939	21,666,706	21,141,202	148,594	21,289,796
	148,715,381	10,603,061	159,318,442	138,912,238	9,941,275	148,853,513

		March 31, 2020 Un-audited	December 31, 2019 Audited
	Note	Rupees in '000	
21 SUBORDINATED DEBT			
Subordinated Term Finance Certificates	21.1	1,999,000	1,999,200
Subordinated Loan from Sponsors	21.2	207,218	126,218
		<u>2,206,218</u>	<u>2,125,418</u>

21.1 The Bank has issued privately placed, unsecured and subordinated Term Finance Certificates (TFCs) as instruments of redeemable capital under section 66 of the Companies Act, 2017 and the Basel III guidelines issued by the SBP. The key features of the issue are as follows:

Issue amount	Rs. 2,000 million
Issue date	August 10, 2017
Maturity date	Up to 8 years from date of issue
Rating	(BBB+) by JCR-VIS Credit Rating Company Limited (Triple B Plus)
Security	The instrument is unsecured and subordinated as to payment of principal and profit to all other indebtedness of the Bank, including deposits.
Profit payment frequency	Profit will be payable semi-annually in arrears on the outstanding principal amount and will be calculated on a 365 day year basis.
Redemption	0.14% of the issue amount during the first 7 years and remaining 99.86% in last two equal semi-annual instalments of 49.93% each.
Mark-up	6 months KIBOR plus 1.85% per annum
Call option	The Bank may call TFCs in part or in full, after 5 years from date of issue on any profit payment date, subject to SBP approval and with not less than 30 days prior notice to the Trustee and Investors. The call option once announced will be irrevocable.
Lock-in-clause	As per the lock-in requirement for Tier II issues, neither profit nor principal will be payable (even at maturity) in respect of the TFC, if such payment will result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or results in an increase in any existing shortfall in MCR or 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, the 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 TFCs' divided by fair value per share of the Bank's common equity on the date of trigger of the non-viability event as declared by the SBP, subject to a cap of 1,238,390,093 shares.

21.2 Due to the lock-in-clause as mentioned in note 21.1 and as per SBP instructions, the Bank has received an unsecured and interest free subordinated loan from the sponsor in order to make the payment of the instalment including profit thereon in respect of the above mentioned TFC's. Upon compliance with minimum capital requirement (CAR), this subordinated loan will be repaid to the Sponsor.

		March 31, 2020 Un-audited	December 31, 2019 Audited
	Note	Rupees in '000	
22 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		1,410,053	1,041,287
Mark-up / return / interest payable in foreign currencies		8,623	24,035
Unearned commission and income on bills discounted		54,901	54,912
Accrued expenses		419,765	377,682
Acceptances		1,197,818	1,268,440
Mark to market loss on forward contracts		258,848	422,803
Branch adjustment account		-	12,582
Payable to defined benefit plan - permanent staff		7,752	7,752
Payable to defined benefit plan - contractual staff		54,305	50,060
Provision against off-balance sheet obligations	22.1	116,012	116,012
Workers' Welfare Fund (WWF)		134,504	134,504
Advance received against future sale of non-banking assets		152,641	121,239
Advance received against future sale of fixed assets	17	118,500	118,500
Deferred income against non-banking assets		153,657	153,657
Islamic pool management reserve		18,641	5,024
Lease liability against right-of-use assets		4,229,265	4,297,275
Non checking account		109,263	382,292
PRI remitting account		60,296	58,945
Fund received against application of Housing Scheme		97,921	149,570
Others		667,498	683,802
		<u>9,270,163</u>	<u>9,480,373</u>
22.1 Provision against off-balance sheet obligations			
Opening balance		116,012	116,012
Charge for the period / year		-	-
Reversals for the period / year		-	-
		-	-
Amount written off		-	-
Closing balance		<u>116,012</u>	<u>116,012</u>

23 SHARE CAPITAL- NET

23.1 Authorised capital

March 31, 2020	December 31, 2019		March 31, 2020	December 31, 2019
Un-audited	Audited		Un-audited	Audited
Number of shares in '000			Rupees in '000	
10,500,000	10,500,000	Ordinary shares of Rs.10 each	105,000,000	105,000,000

23.2 Issued, subscribed and paid up capital

March 31, 2020	December 31, 2019		March 31, 2020	December 31, 2019
Un-audited	Audited		Un-audited	Audited
Number of shares in '000			Rupees in '000	
9,081,861	9,081,861	Ordinary shares of Rs. 10 each	90,818,612	90,818,612
-	-	Fully paid in cash	(67,387,238)	(67,387,238)
9,081,861	9,081,861	Less: Discount on issue of shares	23,431,374	23,431,374

24 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus on revaluation of				
- Available for sale securities	11.1	3,278,120	281,116	
- Fixed assets		54,691	55,485	
- Non-banking assets acquired in satisfaction of claims	16	31,789	31,789	
		3,364,600	368,390	
Deferred tax on surplus on revaluation of				
- Available for sale securities	15	(1,147,342)	(98,390)	
- Fixed assets	15	(10,961)	(11,274)	
- Non-banking assets acquired in satisfaction of claims	15	(2,216)	(2,216)	
		(1,160,519)	(111,880)	
		2,203,981	256,510	

25 CONTINGENCIES AND COMMITMENTS

Guarantees	25.1	11,442,807	11,110,063
Commitments	25.2	26,430,330	27,332,813
Contingent liabilities	25.3	1,258,480	1,256,952
		39,131,617	39,699,828

25.1 Guarantees:

Financial guarantees	59,940	59,940
Performance guarantees	8,062,958	7,811,701
Other guarantees	3,319,909	3,238,422
	11,442,807	11,110,063

25.2 Commitments:

Documentary credits and short-term trade-related transactions			
- letters of credit		3,078,481	2,458,714
Commitments in respect of:			
- forward foreign exchange contracts	25.2.1	15,464,392	23,463,537
- forward government securities transactions	25.2.2	7,833,165	1,351,959
Commitments for acquisition of:			
- operating fixed assets		7,191	633
- intangible assets		47,101	57,970
		26,430,330	27,332,813

25.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	10,757,230	14,799,455
Sale	4,707,162	8,664,082
	15,464,392	23,463,537

	March 31, 2020 Un-audited	December 31, 2019 Audited
	Rupees in '000	
25.2.2 Commitments in respect of forward government securities transactions		
Purchase	-	929,110
Sale	7,833,165	422,849
	<u>7,833,165</u>	<u>1,351,959</u>

25.2.3 The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

25.3 Contingent liabilities:

Claims against the Bank not acknowledged as debt	1,222,840	1,221,312
Claims against the Bank by Competition Commission of Pakistan & others	35,640	35,640
	<u>1,258,480</u>	<u>1,256,952</u>

25.3.1 Suits for damages of Rs. 24.38 billion (December 31, 2019: Rs. 24.40 billion) have been filed against the Bank by various borrowers / employees in respect of certain disputes relating to loans and advances. The management of the Bank and its legal counsel consider that the suits are a counterblast in response to the recovery suits filed by the Bank. The Bank and its legal counsel are confident that the cases will be dismissed as actual damages have to be proven in such suits.

25.4 For contingencies relating to taxation refer note 35.1-35.3.

26 DERIVATIVE INSTRUMENTS

Product Analysis

March 31, 2020 - (Un-audited)	
Forward Contracts	
Notional Principal	Mark to Market gain / (loss)
Rupees in '000	

Counterparties

Hedging

- Banks	21,485,157	166,265
- Other entities	1,812,400	112,657
Total	<u>23,297,557</u>	<u>278,922</u>

December 31, 2019 - Audited	
Forward Contracts	
Notional Principal	Mark to Market gain / (loss)
Rupees in '000	

Counterparties

Hedging

- Banks	22,983,136	(362,050)
- Other entities	1,832,361	22,090
Total	<u>24,815,497</u>	<u>(339,960)</u>

		March 31, 2020 Un-audited	March 31, 2019 Un-audited
	Note	Rupees in '000	
27 MARK-UP / RETURN / PROFIT / INTEREST EARNED			
On:			
a) Loans and advances		3,427,460	3,806,648
b) Investments		1,990,775	429,070
c) Lendings to financial institutions		311,446	378,766
d) Balances with banks		607	1,398
		<u>5,730,288</u>	<u>4,615,882</u>
28 MARK-UP / RETURN / PROFIT / INTEREST EXPENSED			
a) Deposits		3,829,369	2,335,998
b) Borrowings		1,490,471	430,968
c) Subordinated debt		77,720	56,352
d) Cost of foreign currency swaps against foreign currency deposits / borrowings		130,119	34,417
e) Lease liability against right-of-use assets		113,445	-
f) Others		4,752	2,591
		<u>5,645,876</u>	<u>2,860,326</u>
29 FEE & COMMISSION INCOME			
Branch banking customer fees		48,049	39,062
Card related fees (debit and credit cards)		353,159	279,342
Credit related fees		108,639	73,812
Commission on trade		52,184	52,376
Commission on guarantees		18,781	18,312
Commission on remittances including home remittances		3,714	4,441
Commission on bancassurance		16,132	25,574
Others		2,798	11,672
		<u>603,456</u>	<u>504,591</u>
30 GAIN / (LOSS) ON SECURITIES			
Realised	30.1	873,335	(17,028)
Unrealised - held for trading		48,842	-
		<u>922,177</u>	<u>(17,028)</u>
30.1 Realised gain / (loss) on:			
Federal Government Securities		873,735	(17,028)
Shares		(400)	-
		<u>873,335</u>	<u>(17,028)</u>
31 OTHER INCOME			
Rent on property and non-banking assets		39,456	88,654
Gain on sale of fixed assets - net		299	252
(Loss) / gain on sale of non-banking assets - net		(21,404)	5,769
Rent on lockers		5,898	4,431
Postage, telex and other service charges recovered		14,447	3,702
Early loan termination charges		19,586	16,594
		<u>58,282</u>	<u>119,402</u>

32 OPERATING EXPENSES

	March 31, 2020 Un-audited	March 31, 2019 Un-audited
	Rupees in '000	
Total compensation expense	934,841	908,399
Property expense		
Rent & taxes	10,221	193,371
Insurance on non-banking assets acquired in satisfaction of claims	319	114
Utilities cost	41,694	48,995
Security (including guards)	36,758	33,326
Repair & maintenance (including janitorial charges)	21,096	20,586
Depreciation on buildings	23,639	33,910
Depreciation on right-of-use assets	168,345	-
Depreciation on non-banking assets acquired in satisfaction of claims	16,164	17,594
Professional charges	4,666	425
	322,902	348,321
Information technology expenses		
Software maintenance	49,092	40,554
Hardware maintenance	25,665	28,598
Depreciation	18,117	12,429
Amortisation	18,497	13,924
Website development charges	92	45
	111,463	95,550
Other operating expenses		
Directors' fees and allowances	-	5,700
Fees and allowances to Shariah Board	3,669	3,660
Legal & professional charges	34,735	82,019
Outsourced services costs	7,636	10,084
Travelling & conveyance	35,097	35,579
NIFT clearing charges	3,054	2,880
Depreciation	61,810	60,191
Training & development	5,298	10,186
Postage & courier charges	15,276	5,940
Communication	103,886	68,446
Stationery & printing	21,211	17,586
Marketing, advertisement & publicity	48,705	88,359
Auditors' remuneration	6,325	8,756
Insurance (including deposit protection)	29,992	45,120
Repairs & maintenance	21,691	23,522
Financial charges on leased assets	-	58
Brokerage and commission	3,122	2,179
Subscriptions and news papers	4,536	6,452
Entertainment	12,746	14,942
Vehicle running & maintenance	5,675	7,165
Card related expenses (debit and credit cards)	35,048	32,391
Security	5,766	7,629
Others	2,306	11,656
	467,634	550,500
	1,836,840	1,902,770

33 OTHER CHARGES

Penalties imposed by State Bank of Pakistan	4	101,005
Operational loss	12,355	9,762
	12,359	110,767

		March 31, 2020 Un-audited	March 31, 2019 Un-audited
	Note	Rupees in '000	
34 PROVISIONS & WRITE OFFS - NET			
Provisions against loans & advances	12.3	899,553	388,706
Write offs against fixed assets		8	1,772
Recovery of written off / charged off bad debts		<u>(42,949)</u>	<u>(44,060)</u>
		<u>856,612</u>	<u>346,418</u>

35 TAXATION			
Current		-	3,910
Prior years		-	-
Deferred		<u>(312,571)</u>	<u>36,625</u>
		<u>(312,571)</u>	<u>40,535</u>

35.1 The income tax returns of the Bank have been submitted up to Tax Year 2019. The Bank has filed appeals before Appellate Tribunal Inland Revenue (ATIR) against certain disallowances amounting to Rs.1,996 million (December 31, 2019: Rs.1,996 million) made by Tax officer for Assessment / Tax Year(s) 2000-2001, 2001-2002, 2002-2003 and 2004. The disallowances amounting to Rs. 798 million (December 31, 2019: Rs.798 million) in respect of Tax Years 2003, 2006 and 2015 to 2018 are pending at Commissioner Inland Revenue (Appeals) (CIR (A)). Management is confident that the outcome of these appeals would be in favor of the Bank.

35.2 Income tax returns for Tax Years 2011 and 2014 were selected for audit. The proceedings of the audit are in process, no order has been passed by the relevant tax authorities.

The proceedings u/s 161 / 205 of the Income Tax Ordinance, 2001 regarding monitoring of withholding taxes pertaining to the Tax Years 2011 to 2018 were completed. Orders were issued by the Assessing Officer creating total tax demand of Rs. 139 million (already paid by the bank) including default surcharge of Rs. 25 million. The Bank has filed appeals against orders u/s 161 / 205 before CIR (A). The Bank's appeals for Tax Years 2013 and 2014 before the CIR (A) were rejected after which appeals before the ATIR, Karachi have been filed, which are pending hearing. Management is confident that the outcome of these appeals would be in favor of the Bank.

35.3 The Bank's return in respect of AJK operations have been submitted up to and including Tax Year 2019. Certain appeals were filed before the various Appellate and other forums which are either pending for adjudication or the proceedings initiated against the Bank have been dropped / withdrawn. Management is confident that the outcome of pending appeals would be in favor of the Bank.

		March 31, 2020 Un-audited	March 31, 2019 Un-audited
		Rupees in '000	
36 BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE			
(Loss) / profit after tax for the period		<u>(580,501)</u>	<u>68,790</u>
Weighted average number of ordinary shares		<u>9,081,861</u>	<u>9,081,861</u>
Basic and Diluted (Loss) / Earnings Per Share (Rupee)		<u>(0.06)</u>	<u>0.01</u>
37 CASH AND CASH EQUIVALENTS			
Cash and balance with treasury banks		12,018,975	10,116,662
Balance with other banks		<u>1,145,541</u>	<u>258,042</u>
		<u>13,164,516</u>	<u>10,374,704</u>

38 FAIR VALUE MEASUREMENTS

The fair value of traded investments is based on quoted market prices. Fair value of unquoted equity investments other than investments in associates is determined on the basis of break up value of these investments as per the latest available audited financial statements.

Fair value of fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

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 period.

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

38.1 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:

	March 31, 2020 - (Un-audited)				
	Carrying Value	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					
Market Treasury Bills	5,443,230	-	5,443,230	-	5,443,230
Pakistan Investment Bonds	72,907,831	-	72,907,831	-	72,907,831
GOP Ijarah Sukuks	3,000,000	-	3,000,000	-	3,000,000
Bai Muajjal	257,658	-	257,658	-	257,658
Shares					
Listed companies	527,921	527,921	-	-	527,921
Non-Government Debt Securities					
Sukuks - Listed	214,912	-	214,912	-	214,912
Term Finance Certificates - Listed	37,500	-	37,500	-	37,500
	82,389,052	527,921	81,861,131	-	82,389,052
Financial assets - disclosed but not measured at fair value					
Cash and balances with treasury banks	12,018,975	-	-	-	-
Balances with other banks	1,145,541	-	-	-	-
Lendings to financial institutions	13,796,311	-	-	-	-
Advances	102,778,737	-	-	-	-
Other assets	7,167,616	-	-	-	-
	136,907,180	-	-	-	-
	219,296,232	527,921	81,861,131	-	82,389,052
Off-balance sheet financial Instruments - measured at fair value					
Forward purchase of foreign exchange	10,767,230	-	10,767,230	-	10,767,230
Forward sale of foreign exchange	4,707,182	-	4,707,162	-	4,707,162
Forward purchase of government securities transactions	-	-	-	-	-
Forward sale of government securities transactions	7,833,165	-	7,833,165	-	7,833,165

December 31, 2019 - Audited					
Carrying Value	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					
Market Treasury Bills	3,535,706	-	3,535,706	-	3,535,706
Pakistan Investment Bonds	29,084,354	-	29,084,354	-	29,084,354
GOP Ijarah Sukuks	2,277,000	-	2,277,000	-	2,277,000
Bai Muajjal	257,658	-	257,658	-	257,658
Shares					
Listed companies	693,897	693,897	-	-	693,897
Non-Government Debt Securities					
Sukuks - Listed	227,354	-	227,354	-	227,354
Term Finance Certificates - Listed	37,500	-	37,500	-	37,500
	36,113,469	693,897	35,419,572	-	36,113,469
Financial assets - disclosed but not measured at fair value					
Cash and balances with treasury banks	11,838,682	-	-	-	-
Balances with other banks	1,168,163	-	-	-	-
Lendings to financial institutions	18,101,837	-	-	-	-
Advances	105,374,947	-	-	-	-
Other assets	6,552,718	-	-	-	-
	143,036,347	-	-	-	-
	179,149,816	693,897	35,419,572	-	36,113,469
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	14,799,455	-	14,799,455	-	14,799,455
Forward sale of foreign exchange	8,664,082	-	8,664,082	-	8,664,082
Forward purchase of government securities transactions	929,110	-	929,110	-	929,110
Forward sale of government securities transactions	422,849	-	422,849	-	422,849

Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3 are:

Item	Valuation approach and input used
Market Treasury Bills and Pakistan Investment Bonds	Fair values are derived using the PKRV rates.
GOP 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 eight different pre-defined / approved dealers / brokers.
Sukuks - Listed and Term Finance Certificates - Listed	Investments in debt securities i.e. term finance certificates and sukuk certificates 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.
Foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by the State Bank of Pakistan.

38.2 Fair value of non-financial assets

Information about the fair value hierarchy of Bank's non-financial assets as at the end of the reporting period are as follows:

March 31, 2020 - (Un-audited)					
Carrying Value	Level 1	Level 2	Level 3	Total	
Rupees in '000					
Fixed assets - land and buildings	183,221	-	-	183,221	183,221
Non-banking assets acquired in satisfaction of claims	9,341,137	-	-	9,341,137	9,341,137
	9,524,358	-	-	9,524,358	9,524,358
December 31, 2019 - Audited					
Carrying Value	Level 1	Level 2	Level 3	Total	
Rupees in '000					
Fixed assets - land and buildings	186,146	-	-	186,146	186,146
Non-banking assets acquired in satisfaction of claims	9,438,705	-	-	9,438,705	9,438,705
	9,624,851	-	-	9,624,851	9,624,851

38.2.1 Certain categories of fixed assets (land and buildings) and non-banking assets acquired in satisfaction of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values as disclosed in annual financial statements for the year ended December 31, 2019.

39 SEGMENT INFORMATION

Segment Details with respect to Business Activities

	March 31, 2020 - (Un-audited)			
	Consumer / SME	Whole Sale Banking	Treasury	Total
	Rupees in '000			
Profit and Loss Account				
Net mark-up / return / profit	1,613,707	(1,519,814)	(9,481)	84,412
Inter segment revenue - net	-	-	-	-
Non Mark-up / Interest Income	558,306	131,770	1,038,251	1,728,327
Total Income	2,172,013	(1,388,044)	1,028,770	1,812,739
Segment direct expenses	(931,194)	(897,429)	(20,576)	(1,849,199)
Inter segment expense allocation	(344,467)	363,361	(18,894)	-
Total expenses	(1,275,661)	(534,068)	(39,470)	(1,849,199)
Provisions	(218,669)	(638,043)	-	(856,612)
Profit before tax	677,783	(2,560,155)	989,300	(893,072)

Statement of Financial Position				
Cash & Bank balances	-	2,995,673	10,168,843	13,164,516
Investments	-	158,680	82,362,253	82,520,933
Net inter segment lending	90,960,032	29,111,904	81,958,891	202,030,827
Lendings to financial institutions	824,258	145,457	12,826,596	13,796,311
Advances - performing	28,732,342	45,575,814	-	74,308,156
Advances - non-performing - net of provision	1,610,427	26,860,154	-	28,470,581
Others	909,931	31,762,480	2,172	32,674,583
Total Assets	123,036,990	136,610,162	187,318,755	446,965,907
Borrowings	568,661	1,144,240	58,838,419	60,551,320
Subordinated debt	-	2,206,218	-	2,206,218
Deposits & other accounts	97,236,419	62,082,023	-	159,318,442
Net inter segment borrowing	23,515,650	52,037,666	126,477,511	202,030,827
Others	1,730,354	8,814,083	174,912	10,719,349
Total liabilities	123,051,084	126,284,230	185,490,842	434,826,156
Equity	(14,094)	10,325,932	1,827,913	12,139,751
Total Equity & liabilities	123,036,990	136,610,162	187,318,755	446,965,907
Contingencies & Commitments	1,222,840	14,611,220	23,297,557	39,131,617

March 31, 2019 - (Un-audited)				
Consumer / SME	Whole Sale Banking	Treasury	Total	
Rupees in '000				
Profit and Loss Account				
Net mark-up / return / profit	1,660,822	117,983	(23,249)	1,755,556
Inter segment revenue - net	-	-	-	-
Non Mark-up / Interest Income	488,307	162,355	65,293	715,955
Total Income	2,149,129	280,338	42,044	2,471,511
Segment direct expenses	(912,830)	(1,083,970)	(18,968)	(2,015,768)
Inter segment expense allocation	(378,997)	409,236	(30,239)	-
Total expenses	(1,291,827)	(674,734)	(49,207)	(2,015,768)
Provisions	(198,674)	(147,744)	-	(346,418)
Profit before tax	658,628	(542,140)	(7,163)	109,325

December 31, 2019 - Audited				
Consumer / SME	Whole Sale Banking	Treasury	Total	
Rupees in '000				
Statement of Financial Position				
Cash & Bank balances	-	3,435,857	9,570,988	13,006,845
Investments	-	275,692	35,969,658	36,245,350
Net Inter segment lending	86,565,401	19,779,983	78,082,280	184,427,664
Lendings to financial institutions	765,636	135,112	17,201,089	18,101,837
Advances - performing	31,071,521	45,651,990	-	76,723,511
Advances - non-performing - net of provision	1,649,619	27,001,817	-	28,651,436
Others	929,772	32,151,609	(122,280)	32,959,101
Total Assets	120,981,949	128,432,060	140,701,735	390,115,744
Borrowings	574,507	1,138,394	30,260,330	31,973,231
Subordinated debt	-	2,125,418	-	2,125,418
Deposits & other accounts	93,990,095	54,863,418	-	148,853,513
Net Inter segment borrowing	24,192,373	47,086,257	113,149,034	184,427,664
Others	2,224,974	9,615,168	123,889	11,964,031
Total Liabilities	120,981,949	114,828,655	143,533,253	379,343,857
Equity	-	13,603,406	(2,831,519)	10,771,887
Total Equity & Liabilities	120,981,949	128,432,061	140,701,734	390,115,744
Contingencies & Commitments	1,221,312	13,663,020	24,815,496	39,699,828

Segment determination are made on the basis of management accountability, monitoring and decision making of these reporting segments at regular intervals. Transactions between reportable segments are based on an appropriate transfer pricing mechanism using agreed rates. Furthermore, segment assets and liabilities include intersegment balances. Costs which are not allocated to segments are included in the Head office. Income taxes are managed at bank level and are not allocated to operating segments.

40 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its associates, employee benefit plans and its directors 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.

Majority of the transactions with related parties comprise loans and advances, deposits, issuance of letters of credit and guarantees. Advances for the house building, conveyance and for personal use have also been provided to the staff and executives at reduced rates in accordance with the employment and pay policy and such advances have not been disclosed in the following schedule. Facility of group life insurance and hospitalisation insurance is also provided to staff and executives. In addition to this, executives of the Bank have been provided with Bank maintained cars.

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

	March 31, 2020 - (Un-audited)				December 31, 2019 - Audited			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
Rupees in '000								
Balances								
Investments								
Opening balance	-	-	131,881	416,226	-	-	126,654	112,246
Investment made / share profit during the period / year	-	-	-	3,188	-	-	5,227	604,099
Investment redeemed / disposed off during the period / year	-	-	-	(2,150)	-	-	-	(300,119)
Closing balance	-	-	131,881	417,264	-	-	131,881	416,226
Advances								
Opening balance	22,342	9,925	-	2,312,557	9,085	7,456	-	1,122,873
Addition during the period / year	14,195	19,716	-	75,293	79,858	205,357	-	4,595,664
Repaid during the period / year	(24,639)	(21,105)	-	(89,599)	(66,601)	(202,888)	-	(3,405,980)
Closing balance	11,898	8,536	-	2,298,251	22,342	9,925	-	2,312,557
Provision held against advances	-	-	-	130,608	-	-	-	130,608
Other Assets								
Interest / mark-up accrued	520	129	-	120,326	872	200	-	123,213
Insurance claim receivable	-	-	6,215	-	-	-	9,778	-
Prepaid insurance	-	-	12,485	-	-	-	604	-
Subordinated debt								
Opening balance	-	-	-	126,218	-	-	-	-
Issued / purchased during the period / year	-	-	-	81,000	-	-	-	126,218
Redemption during the period / year	-	-	-	-	-	-	-	-
Closing balance	-	-	-	207,218	-	-	-	126,218
Deposits and other accounts								
Opening balance	7,076	85,006	41,608	1,488,688	5,620	84,292	18,256	2,023,685
Received during the period / year	130,415	143,398	64,475	1,654,832	267,826	1,159,796	262,582	10,895,222
Withdrawn during the period / year	(133,118)	(152,525)	(63,375)	(1,610,265)	(266,370)	(1,139,082)	(239,230)	(11,430,219)
Closing balance	4,373	75,879	42,708	1,533,255	7,076	85,006	41,608	1,488,688
Other Liabilities								
Interest / mark-up payable	12	153	1,035	19,266	-	-	743	9,152
Contingencies and Commitments								
Other contingencies	-	-	-	-	-	-	-	-
	March 31, 2020 - (Un-audited)				March 31, 2019 - (Un-audited)			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
Rupees in '000								
Transactions								
Income								
Mark-up / return / interest earned	520	447	-	84,835	206	436	-	37,322
Net gain on sale of securities	-	-	-	866	-	-	-	-
Expense								
Mark-up / return / interest paid	80	692	767	40,305	82	665	305	29,602
Services rendered	-	-	-	-	-	-	-	36,485
Short term employment benefits	30,512	100,366	-	-	29,220	84,252	-	-
Contribution to Defined Benefit Plan	1,402	3,381	-	-	1,291	2,898	-	-
Meeting fee	-	-	-	-	5,700	-	-	-
Insurance premium paid	-	-	24,032	-	-	-	9,524	-
Insurance claims settled	-	-	2,861	-	-	-	2,549	-

March 31, 2020 Un-audited	December 31, 2019 Audited
Rupees in '000	

41 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR)

Paid-up capital (net of losses)

9,114,880	9,694,487
-----------	-----------

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 Capital

6,400,538	6,331,077
-----------	-----------

Eligible Additional Tier 1 Capital

-	-
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Total Eligible Tier 1 Capital

6,400,538	6,331,077
-----------	-----------

Eligible Tier 2 Capital

2,666,891	2,637,949
-----------	-----------

Total Eligible Capital (Tier 1 + Tier 2)

9,067,429	8,969,026
-----------	-----------

Risk Weighted Assets (RWAs):

Credit Risk

138,265,560	138,592,235
-------------	-------------

Market Risk

2,920,372	1,673,780
-----------	-----------

Operational Risk

14,214,926	14,214,926
------------	------------

Total

155,400,858	154,480,941
-------------	-------------

Common Equity Tier 1 Capital Adequacy ratio

4.12%	4.10%
-------	-------

Tier 1 Capital Adequacy Ratio

4.12%	4.10%
-------	-------

Total Capital Adequacy Ratio

5.83%	5.81%
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Leverage Ratio (LR):

Eligible Tier-1 Capital

6,400,538	6,331,077
-----------	-----------

Total Exposures

259,587,518	219,608,606
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Leverage Ratio

2.47%	2.88%
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Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

45,345,153	36,648,252
------------	------------

Total Net Cash Outflow

46,168,957	41,719,855
------------	------------

Liquidity Coverage Ratio

98.22%	87.84%
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Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

153,101,456	133,214,604
-------------	-------------

Total Required Stable Funding

128,269,863	132,679,684
-------------	-------------

Net Stable Funding Ratio

119.36%	100.40%
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42 ISLAMIC BANKING BUSINESS

The Bank is operating with 30 Islamic Banking branches at the end of March 31, 2020 (December 31, 2019: 30).

The statement of financial position of these branches as at March 31, 2020 are as follows:

The statement of financial position of these branches as at March 31, 2020 are as follows:

		March 31, 2020 Un-audited	December 31, 2019 Audited
	Note	Rupees in '000	
ASSETS			
Cash and balances with treasury banks		2,141,292	2,142,308
Balances with other banks		66,606	540,286
Due from financial institutions	42.1	2,794,643	5,478,118
Investments	42.2	2,257,658	257,658
Islamic financing and related assets - net	42.3	27,005,870	27,448,800
Fixed assets		1,369,668	1,414,903
Intangible assets		3,719	2,972
Due from Head Office		4,982,453	-
Other assets		989,268	985,608
Total assets		41,611,177	38,270,653
LIABILITIES			
Bills payable		131,770	133,503
Due to financial institutions		87,947	-
Deposits and other accounts	42.4	37,922,881	33,274,825
Due to Head Office		-	154,880
Other liabilities		1,595,446	1,572,884
Total liabilities		39,738,044	35,136,092
NET ASSETS		1,873,133	3,134,561
REPRESENTED BY			
Islamic banking fund		6,625,000	6,625,000
Reserves		-	-
Surplus on revaluation of assets		15,894	-
Accumulated loss	42.5	(4,767,761)	(3,490,439)
		1,873,133	3,134,561
CONTINGENCIES AND COMMITMENTS	42.6		

The profit and loss account of the Bank's Islamic banking branches for the quarter ended March 31, 2020 is as follows:

		March 31, 2020 Un-audited	March 31, 2019 Un-audited
	Note	Rupees in '000	
Profit / return earned	42.7	334,567	898,162
Profit / return expensed	42.8	(1,014,944)	(682,503)
Net (loss) / profit / return		(680,377)	215,659
Other Income			
Fee and commission income		4,731	3,424
Foreign exchange loss		(152,521)	(20,393)
Income from derivatives		157,592	37,592
Gain on securities		9,606	158
Other income		4,299	3,137
Total other income		23,607	23,918
Total (loss) / Income		(656,770)	239,577
Other expenses			
Operating expenses		(212,879)	(198,730)
Workers Welfare Fund		-	(817)
Other charges		(725)	(8)
Total other expenses		(213,604)	(199,555)
(Loss) / profit before provisions		(870,374)	40,022
Provisions and write offs - net		(408,948)	-
(Loss) / profit for the period		(1,279,322)	40,022

42.1 Due from Financial Institutions

Bai Muajjal receivable from State Bank of Pakistan
Bai Muajjal receivable from other financial institution

March 31, 2020 - (Un-audited)			December 31, 2019 - Audited		
In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
Rupees in '000					
2,794,643	-	2,794,643	3,449,975	-	3,449,975
-	-	-	2,028,143	-	2,028,143
2,794,643	-	2,794,643	5,478,118	-	5,478,118

42.2 Investments by segments:

Federal Government Securities:

Ijarah Sukuks

Bai Muajjal

Total Investments

March 31, 2020 - (Un-audited)				December 31, 2019 - Audited			
Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
Rupees in '000							
1,984,106	-	15,894	2,000,000	-	-	-	-
257,658	-	-	257,658	257,658	-	-	257,658
2,241,764	-	15,894	2,257,658	257,658	-	-	257,658

42.3 Islamic financing and related assets - net

Murabaha

Musawammah

Diminishing Musharaka

Gross Islamic financing and related assets

Less: provision against Islamic financings

- Specific

- General

Islamic financing and related assets - net of provision

March 31, 2020 Un-audited
December 31, 2019 Audited
Rupees in '000

Note

2,871,403	2,876,403
127,343	127,343
24,967,126	24,998,108
27,965,872	28,001,854
(960,002)	(553,054)
(960,002)	(553,054)
27,005,870	27,448,800

42.3.1 Advances include Rs.22,963 million (December 31, 2019: Rs. 22,750 million) which have been placed under non-performing status as detailed below:

Category of classification - specific

Domestic
Substandard
Doubtful
Loss
Total

March 31, 2020 - (Un-audited)		December 31, 2019 - Audited	
Non Performing Loans	Provision	Non Performing Loans	Provision
Rupees in '000			
213,435	-	42,875	-
605,377	-	462,500	-
22,244,285	960,002	22,244,285	553,054
22,963,097	960,002	22,749,660	553,054

42.3.2 SBP vide various circulars has amended Prudential Regulations in respect of provisioning against non-performing advances under which the benefit of Forced Sale Value (FSV) has been allowed for plant and machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing advances upto five years from the date of classification.

42.3.3 It includes Islamic advances amounting to Rs. 20,160.95 million (2019: Rs. 20,160.95) to certain borrowers who are engaged in primarily general trading and real estate business, which are mainly secured against mortgage of underdeveloped/undeveloped properties. During the year 2019, the Bank has provided for the above said exposure in loss category as directed by the SBP resulting in provision of Rs.2,712.985 million after taking FSV benefit. Bank has recorded 20% provision amounted to Rs. 542.597 million in the year ending December 31, 2019, 15% provision amounted to Rs. 406.948 in the period ending March 31, 2020 and 65% of the said provision amounting to Rs. 1,763.44 million will be recognized in period ending June 30, 2020, as directed by SBP vide its letter dated June 24, 2020.

42.3.4 As of March 31, 2020, the Bank has availed FSV benefits against all non performing advances. Had the benefit not been taken by the Bank, loss would have been higher by Rs.8,486 million (December 31, 2019: Rs.5,804 million), which shall not be available for payment of cash or stock dividend / bonus to employees.

42.4 Deposits

Customers

Current deposits

Saving deposits

Term deposits

Margin deposits

Others

Financial Institutions

Current deposits

Saving deposits

Term deposits

March 31, 2020 - (Un-audited)			December 31, 2019 - Audited		
In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
Rupees in '000					
2,352,086	476,578	2,828,664	2,232,796	613,408	2,846,204
11,774,864	490,231	12,265,095	13,564,144	368,203	13,932,347
6,395,624	966,898	7,362,522	5,217,006	881,603	6,098,609
31,700	-	31,700	30,700	-	30,700
89,190	-	89,190	76,557	-	76,557
20,643,464	1,933,707	22,577,171	21,121,203	1,863,214	22,984,417
20,352	282	20,634	29,206	6,667	35,873
15,073,976	-	15,073,976	10,053,435	-	10,053,435
251,100	-	251,100	201,100	-	201,100
15,345,428	282	15,345,710	10,283,741	6,667	10,290,408
35,988,892	1,933,989	37,922,881	31,404,944	1,869,881	33,274,825

	March 31, 2020 Un-audited	December 31, 2019 Audited
	Rupees in '000	
42.5 Islamic Banking Business (Accumulated loss) / Unappropriated Profit		
Opening Balance	(3,490,439)	1,098,279
Add: Islamic Banking loss for the period / year	(1,277,322)	(4,588,718)
Closing Balance	(4,767,761)	(3,490,439)
42.6 Contingencies and Commitments		
Guarantees	606,065	563,350
Commitments	1,501,041	2,046,818
	2,107,106	2,610,168
	March 31, 2020 Un-audited	March 31, 2019 Un-audited
	Rupees in 000	
42.7 Profit / return earned of financing, investments and placement		
Profit earned on:		
Financing	176,508	822,810
Investments	37,737	23,972
Due from Financial Institutions	120,322	51,380
	334,567	898,162
42.8 Profit on Deposits and other Dues Expensed		
Deposits and other accounts	942,651	669,114
Due to Financial Institutions	-	6,648
Cost of foreign currency swaps against foreign currency deposits / borrowings	41,329	6,741
Lease liability against right-of-use assets	30,964	-
	1,014,944	682,503

43 GENERAL

43.1 Corresponding figures have been rearranged / reclassified to reflect more appropriate presentation.

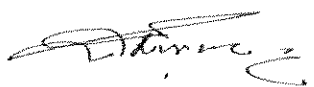
43.2 The figures have been rounded off to the nearest thousand rupees, unless stated otherwise.

44 NON-ADJUSTING EVENTS AFTER THE REPORTING DATE


There are no adjusting events that are required to be adjusted or disclosed in the financial statements.

45 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on June 30, 2020 by the Board of Directors of the Bank.



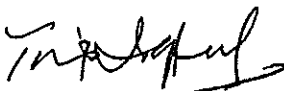
Chief Financial Officer



President & Chief Executive Officer



Director



Director



Director