



**CONDENSED INTERIM
FINANCIAL INFORMATION**

for the nine months ended September 30, 2018



**CONDENSED INTERIM
FINANCIAL STATEMENTS**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018
(UN-AUDITED)

CONTENTS

Corporate Information	01
Directors' Review	03
Condensed Interim Statement of Financial Position	05
Condensed Interim Profit and Loss Account	06
Condensed Interim Statement of Comprehensive Income	07
Condensed Interim Cash Flow Statement	08
Condensed Interim Statement of Changes in Equity	09
Notes to the Condensed Interim Financial Information	10

CORPORATE INFORMATION

Board of Directors

Dr. Shahzad Khan Bangash	Chairman
Shakeel Qadir Khan	
Maqsood Ismail Ahmad	
Asad Muhammad Iqbal	
Javed Akhtar	
Shaharyar Ahmad	

Managing Director / CEO (Acting)

Muhammad Shahbaz Jameel

Board Audit Committee

Asad Muhammad Iqbal	Chairman
Shakeel Qadir Khan	
Javed Akhtar	
Shaharyar Ahmad	

Board Human Resource & Remuneration Committee

Shaharyar Ahmad	Chairman
Maqsood Ismail Ahmad	
Asad Muhammad Iqbal	
The Managing Director	

Board Risk Management Committee

Maqsood Ismail Ahmad	Chairman
Shakeel Qadir Khan	
Javed Akhtar	
The Managing Director	

Board I.T Steering Committee

Shakeel Qadir Khan	Chairman
Shaharyar Ahmad	
Asad Muhammad Iqbal	
The Managing Director	

CORPORATE INFORMATION

Chief Financial Officer

Mahmood Ahmed Qureshi

Company Secretary

Zahid Sahibzada

Registered Office / Head Office

The Bank of Khyber

24 – The Mall, Peshawar Cantt.

1st Floor, State Life Building, 34 – The Mall,
Peshawar Cantt., Pakistan

UAN# 00-92-91-111 95 95 95

URL: www.bok.com.pk

Auditors

Grant Thornton Anjum Rahman

Chartered Accountants

Legal Advisors

Mr. Nisar Ahmed Khan,

Advocate, Peshawar

M/s. Mohsin Tayebaly & Co., Karachi

Registrar and Share Registration Office

THK Associates [Pvt] Ltd.

1st Floor, 40-C, Block 6

P.E.C.H.S, Karachi – 75530

Pakistan.

DIRECTORS' REVIEW

On behalf of the Board of Directors of the Bank of Khyber, I am pleased to present the condensed interim financial information of the Bank for the 3rd quarter ended September 30, 2018.

The results are inclusive of Islamic Banking Operations.

Financial Highlights

The financial results of the Bank of Khyber for the 3rd quarter ended September 30, 2018 are as under:

	[Rs. in Million]	
	September 30 2018	December 31 2017
Total Assets	204,706	245,132
Deposits	172,587	159,247
Advances [Net]	93,084	83,369
Investments [Net]	87,863	140,474

	[Rs. in Million]	
	Period Ended September 30 2018	2017
Operating Profit	1,530	2,299
Reversal / [provision] against non-performing advances/others	[6]	[87]
Profit before taxation	1,524	2,212
Taxation	[597]	[837]
Profit after tax	927	1,375

Performance Review

The Bank's operations for the quarter were impacted by the rise in policy rate, which reduced revenues inspite of growth in core business activities.

Investments showed a significant decrease from Rs. 140.4 billion in previous corresponding period to Rs. 87.8 billion due to repayment of Bank borrowings. Advances increased by Rs. 9.7 billion over previous 9 months and reached Rs. 93 billion.

Borrowing from financial institutions reduced to Rs. 13.9 billion, while deposits grew by Rs.13.7 billion as compared to third quarter 2017.

The net interest income for the period showed increase over third quarter 2017 and was Rs.3.9 billion. Provisions for the period were lower as compared to nine months of 2017. However, gain on sale of securities was much lower being Rs. 13.7 million as compared to Rs.1.16 billion in the nine-month period of 2017. Administrative expenses were a little higher due to normal growth and inflation. The net income for the current nine-month period was Rs. 927.70 million.

Future Outlook

The Bank continues to strengthen its presence in the market through its existing branch network by offering better services and products. By the end of the third quarter of the current year, the Bank is operating with 168 branches among these, 84 branches are working on the Conventional side whereas 84 branches are functioning as dedicated Islamic Banking branches.

We endeavor to strengthen our Islamic Banking and increase share of Islamic Banking in the income and assets of the Bank. The Bank aims to expand its market reach through offering new products and services.

The Bank has remained prudent in its lending while improving its advance to deposit ratio (ADR) to 56%. New strategies and products are being developed to offer micro finance and SME facilities in line with the requirements of the economy.

The Bank remains cognizant of the challenging business environment and stands committed to its strategy of steady growth through diversification in products, services and outreach. The Bank is also focusing on increasing its customer base and mobilizing cost effective deposit mix with an emphasis on prudent lending to maintain trend of stable profitability.

Credit Rating

The JCR-VIS Credit Rating Company Ltd. (JCR-VIS) has reaffirmed the medium to long term and short term entity ratings of the Bank at "A" (Single A) and "A-1" (A One) respectively. Outlook on the assigned rating is "Stable".

The Pakistan Credit Rating Agency Limited (PACRA) has also maintained the long term and short term entity ratings of the Bank at "A" (Single A) and "A1" (A One) respectively. Rating outlook is "Stable".

The ratings denote low expectation of credit risk emanating from strong capacity for timely payment of financial commitments.

Acknowledgement

The Board would like to thank the Provincial Government, State Bank of Pakistan and other regulatory authorities for their guidance and support. We are also grateful to our valued customers for their patronage and continued confidence in the Bank. We also acknowledge the dedicated and consistent performance of our employees.

For and on behalf of the Board of Directors
Muhammad Shahbaz Jameel
 Managing Director (Acting)

Islamabad: October 19, 2018

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

	Note	(Un-audited) September 30, 2018	(Audited) December 31, 2017
Rupees in '000'			
ASSETS			
Cash and balances with treasury banks		10,389,983	8,916,018
Balances with other banks		2,497,436	3,257,351
Lendings to financial institutions	6	1,878,443	1,529,106
Investments - net	7	87,862,981	140,473,783
Advances - net	8	93,084,230	83,369,052
Other assets		5,504,086	4,837,198
Operating fixed assets	9	2,377,405	2,370,125
Deferred tax asset	12	1,111,727	379,751
		204,706,291	245,132,384
LIABILITIES			
Bills payable		869,118	1,131,241
Borrowings from financial institutions	10	13,899,070	64,189,586
Deposits and other accounts	11	172,587,148	159,246,974
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Other liabilities		3,852,791	5,166,464
Deferred tax liability		-	-
		191,208,127	229,734,265
NET ASSETS		13,498,164	15,398,119
REPRESENTED BY			
Share capital		10,002,524	10,002,524
Reserves		2,735,804	2,550,263
Un-appropriated profit		1,632,073	2,390,464
		14,370,401	14,943,251
(Deficit) / surplus on revaluation of assets - net of deferred tax	13	(872,237)	454,868
		13,498,164	15,398,119
CONTINGENCIES AND COMMITMENTS	14		

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.



Chief Financial
Officer



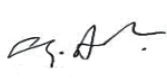
Acting Managing
Director



Director



Director



Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

Note	Three months ended September 30, 2018	Nine months ended 2018	Three months ended September 30, 2017	Nine months ended 2017
	-----Rupees in '000'-----			
Mark-up / return / interest earned	3,483,925	10,618,021	3,870,031	10,601,510
Mark-up / return / interest expensed	2,313,977	6,657,142	2,631,613	7,136,439
Net mark-up / return/ interest income	1,169,948	3,960,879	1,238,418	3,465,071
Provision/(reversal) against loans and advances- net	77,599	12,204	(115,445)	102,681
[Reversal] for diminution in the value of investments	-	(5,763)	-	(8,378)
Bad debts written off directly	65	65	-	-
	77,664	6,506	(115,445)	94,303
Net mark-up / return / interest income after provisions	1,092,284	3,954,373	1,353,863	3,370,768
NON MARK-UP / RETURN / INTEREST INCOME				
Fee, commission and brokerage income	84,388	295,561	61,793	219,094
Dividend income	6,011	32,553	5,353	41,910
Income from dealing in foreign currencies	52,537	107,166	18,638	54,586
Gain on sale of securities - net	1,864	13,794	208	1,156,717
Unrealised gain / (loss) on revaluation of investments classified as held-for-trading - net	698	-	(527)	-
Other income	28,285	95,328	35,639	88,658
Total non mark-up / return / interest income	173,783	544,402	121,104	1,560,965
	1,266,067	4,498,775	1,474,967	4,931,733
NON MARK-UP / RETURN / INTEREST EXPENSES				
Administrative expenses	987,029	2,952,399	922,135	2,726,564
Other provisions	-	-	(7,420)	(7,420)
Other charges	22,015	22,145	-	(87)
Total non mark-up / return / interest expenses	1,009,044	2,974,544	914,715	2,719,057
PROFIT BEFORE TAXATION	257,023	1,524,231	560,252	2,212,676
Taxation				
- Current	15	120,667	613,905	212,056
- Prior		-	-	(68,629)
- Deferred		(14,999)	(17,381)	(19,402)
		105,668	596,524	124,025
PROFIT AFTER TAXATION		151,355	927,707	436,227
				1,375,345
Earnings per share - Basic and Diluted [in Rupees]	16	0.15	0.93	0.44
				1.38

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.



Chief Financial
Officer



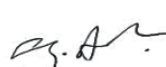
Acting Managing
Director



Director



Director



Director

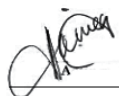
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

	Three months ended September 30, 2018	Nine months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2017
	-----Rupees in '000'-----			
Profit after taxation	151,355	927,707	436,227	1,375,345
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	151,355	927,707	436,227	1,375,345
Components of comprehensive income not reflected in equity				
Items that may be reclassified to profit and loss account in subsequent periods				
Net change in fair value of 'available for sale' securities	(1,190,055)	(2,041,700)	(916,000)	(1,304,776)
Related deferred tax	416,519	714,595	320,600	456,672
	(773,536)	(1,327,105)	(595,400)	(848,104)

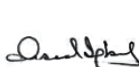
The annexed notes 1 to 22 form an integral part of this condensed interim financial information.



Chief Financial
Officer



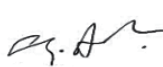
Acting Managing
Director



Director



Director



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

	Nine months ended September 30, 2018	Nine months ended September 30, 2017
	Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,524,231	2,212,676
Less: Dividend income	32,553	41,910
	1,491,678	2,170,766
Adjustments:		
Depreciation	221,059	192,086
Amortisation	41,701	24,414
Provision against loans and advances - net	12,204	102,681
Reversal of provision for diminution in the value of investments	(5,763)	(8,378)
Reversal of provision against other assets	-	(7,420)
Loss / (gain) on sale of operating fixed assets	351	(1,887)
Bad debts written off directly	65	-
	269,617	301,496
	1,761,295	2,472,262
[(Increase) / decrease in operating assets]		
Lendings to financial institutions	(349,337)	6,750,960
Held-for-trading securities	-	360,797
Advances	(9,727,447)	(34,556,146)
Others assets [excluding advance taxation]	(558,332)	209,143
	(10,635,116)	(27,235,246)
Increase / [(decrease) in operating liabilities]		
Bills payable	(262,123)	90,463
Borrowings from financial institutions	(50,290,516)	31,232,152
Deposits and other accounts	13,340,174	4,525,524
Other liabilities [excluding current taxation]	(1,313,383)	954,263
	(38,525,848)	36,802,402
	(47,399,669)	12,039,418
Income taxes paid	(722,461)	(904,846)
Net cash (used in) / generated from operating activities	(48,122,130)	11,134,572
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	44,931,347	(7,012,656)
Net investment in held-to-maturity securities	5,643,518	(11,041,580)
Dividend income received	32,553	41,910
Investment in operating fixed assets	(270,839)	(438,954)
Sale proceeds from disposal of property and equipment	448	2,773
Net cash generated from / (used in) investing activities	50,337,027	(18,448,507)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,500,847)	(1,488,640)
Net cash used in financing activities	(1,500,847)	(1,488,640)
Increase / [(decrease) in cash and cash equivalents during the period]	714,050	(8,802,575)
Cash and cash equivalents at beginning of the period	12,173,369	18,617,454
Cash and cash equivalents at end of the period	12,887,419	9,814,879

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.



Chief Financial
Officer



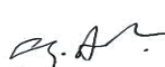
Acting Managing
Director



Director



Director



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

	Share capital	Statutory reserve	Un-appropriated profit	Total
	-----Rupees in '000'-----			
Balance as at January 1, 2017 - Audited	10,002,524	2,192,169	2,490,553	14,685,246
Changes in equity during the nine months ended September 30, 2017				
Transactions with owners recorded directly in equity				
Final cash dividend - December 31, 2016 declared subsequent to year end at Rs 1.50 per share	-	-	(1,500,557)	(1,500,557)
Total comprehensive income				
Profit after taxation for the nine months ended September 30, 2017	-	-	1,375,345	1,375,345
Other comprehensive income - net of tax	-	-	-	-
	-	-	1,375,345	1,375,345
Transfer to statutory reserve	-	275,069	(275,069)	-
Balance as at September 30, 2017 - Unaudited	10,002,524	2,467,238	2,090,272	14,560,034
Changes in equity during the three months ended December 31, 2017				
Total comprehensive income				
Profit after taxation for the three months ended December 31, 2017	-	-	415,126	415,126
Other comprehensive income	-	-	(31,909)	(31,909)
	-	-	383,217	383,217
Transfer to statutory reserve	-	83,025	(83,025)	-
Balance as at December 31, 2017 - Audited	10,002,524	2,550,263	2,390,464	14,943,251
Changes in equity during the nine months ended September 30, 2018				
Transactions with owners recorded directly in equity				
Final cash dividend - December 31, 2017 declared subsequent to year end at Rs 1.50 per share	-	-	(1,500,557)	(1,500,557)
Total comprehensive income				
Profit after taxation for the nine months ended September 30, 2018	-	-	927,707	927,707
Other comprehensive income - net of tax	-	-	-	-
	-	-	927,707	927,707
Transfer to statutory reserve	-	185,541	(185,541)	-
Balance as at September 30, 2018 - Unaudited	10,002,524	2,735,804	1,632,073	14,370,401

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.


Chief Financial
Officer


Acting Managing
Director


Director


Director


Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

1 STATUS AND NATURE OF BUSINESS

- 1.1 The Bank of Khyber ("The Bank") was established under The Bank of Khyber Act, 1991 and is principally engaged in the business of commercial banking and related services. The Bank acquired the status of a scheduled bank in 1994 and is listed on the Pakistan Stock Exchange Limited [formerly Karachi Stock Exchange (KSE)]. The registered office of the Bank is situated at 24 the Mall, Peshawar Cantt, Peshawar and it has been temporarily shifted to 1st Floor, State Life Building, 34 - the Mall, Peshawar Cantt. The Bank operates 168 branches including 84 Islamic Banking Branches as at September 30, 2018 (December 31, 2017: 166 branches including 83 Islamic banking branches). The long term credit rating of the Bank assigned by The Pakistan Credit Rating Agency (PACRA) and JCR-VIS are 'A' and 'A' respectively and the short-term credit ratings assigned are 'A1' [A-One] and 'A-1' [A-One] respectively.

2 BASIS OF PRESENTATION

- 2.1 The disclosures made in these condensed interim financial information have been limited based on the format prescribed by the State Bank of Pakistan (SBP) vide BSD Circular No. 2 dated May 12, 2004, International Accounting Standard 34, Interim Financial Reporting, provisions of and directives issued under the Companies Act, 2017, Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017, Banking Companies Ordinance, 1962 have been followed.
- 2.2 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in this condensed interim financial information as such, but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up in price thereon. The Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards issued by the Institute of Chartered Accountants of Pakistan and notified under the provisions of the Companies Act, 2017.
- 2.3 Key financial figures of the Islamic Banking branches are disclosed in note 19 to this condensed interim financial information.
- 2.4 The disclosures made in this condensed interim financial information have been limited based on a format prescribed by the SBP vide BSD Circular Letter No. 2 dated May 12, 2004 and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and this condensed interim financial information should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2017.

3 BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention except that certain operating fixed assets have been stated at revalued amounts and certain investments and derivative financial instruments have been stated at fair value and net obligations in respect of defined benefit scheme has been carried at its present value.

4 STATEMENT OF COMPLIANCE

- 4.1 The condensed interim financial information of the Bank has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, the requirements of the Companies Act, 2017, the Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the SBP. In case requirements differ, the requirements of the Companies Act, 2017, the Banking Companies Ordinance, 1962 and the said directives have been followed.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

- 4.2 The SBP vide BSD Circular letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property for Banking Companies till further Instructions. Further, according to the notification of the SECP issued vide SRO 411(I)/2008 dated April 28, 2008, International Reporting Standard (IFRS) 7, Financial Instruments: Disclosures have not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP. Further, segment information is being disclosed in accordance with SBP's prescribed format as per BSD circular 4 dated February 17, 2006 which prevails over the requirements specified in IFRS 8.
- 4.3 SECP vide its notification SRO 633 (I)/2014 dated 10 July 2014, adopted IFRS 10 effective from the periods starting from 30 June 2014. However, vide its notification SRO 56 (I)/2016 dated 28 January 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS AND FINANCIAL RISK MANAGEMENT POLICIES

- 5.1 The accounting policies, underlying estimates and judgments and methods of computation followed in the preparation of these condensed interim financial statements are same as those applied in preparing the most recent annual financial statements of the Bank for the year ended December 31, 2017, except for the following:

Surplus on Revaluation of Fixed Assets-Net of deferred tax

Upto December 31, 2017, surplus/[deficit] on revaluation of fixed assets were being measured under the repealed Companies Ordinance, 1984. The surplus arising on the revaluation is credited to the surplus on revaluation of fixed assets account. Any deficit on subsequent revaluation of fixed assets is adjusted against the balance in the surplus account. With effect from January 01, 2018 the bank has revised its accounting policy in respect of measurement of surplus / [deficit] on revaluation of fixed assets' which are now accounted for in accordance with Companies Act, 2017. The revaluation is measured on individual asset where the surplus is taken to the surplus on revaluation of fixed assets account. The deficit on revaluation of the asset is charged to profit and loss account after netting of any surplus already recorded on that asset. The management of the Bank believes that the impact of change in policy is not material, therefore, no adjustments are being taken.

- 5.2 The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the financial statements of the Bank for the year ended December 31, 2017.

(Un-audited) September 30, 2018	(Audited) December 31, 2017
Rupees in '000'	

6 LENDINGS TO FINANCIAL INSTITUTIONS

Bai Muajjal receivable from other financial institution
Repurchase agreement lendings (Reverse Repo)
Placements with other financial institutions

Provision against lendings to financial institutions

-	1,529,106
1,878,443	-
238,944	238,944
2,117,387	1,768,050
[238,944]	[238,944]
1,878,443	1,529,106

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

7 INVESTMENTS

	September 30, 2018 (Un-audited)			December 31, 2017 (Audited)		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
Note	-----Rupees in '000'-----					
7.1 Investments by types						
Held-for-trading securities						
Market Treasury Bills	-	-	-	-	-	-
	-	-	-	-	-	-
Available-for-sale securities						
Market Treasury Bills	5,617,551	-	5,617,551	21,815,852	24,827,491	46,643,343
Pakistan Investment Bonds	44,490,993	9,520,772	54,011,765	23,862,623	36,951,525	60,814,148
Government of Pakistan Sukuk	6,250,098	-	6,250,098	6,250,297	-	6,250,297
Ordinary shares of listed companies	1,282,494	-	1,282,494	1,355,427	-	1,355,427
Ordinary shares of unlisted companies	30,487	-	30,487	30,487	-	30,487
Ordinary shares of related party - Unlisted	112,500	-	112,500	112,500	-	112,500
Preference shares of unlisted company	195,000	-	195,000	195,000	-	195,000
Listed term finance certificates	1,538,265	-	1,538,265	338,305	-	338,305
Unlisted term finance certificates	505,000	-	505,000	505,000	-	505,000
Sukuks	5,288,669	-	5,288,669	3,518,669	-	3,518,669
	65,311,057	9,520,772	74,831,829	57,984,160	61,779,016	119,763,176
Held-to-maturity securities						
Pakistan Investment Bonds	16,383,015	-	16,383,015	22,026,533	-	22,026,533
	16,383,015	-	16,383,015	22,026,533	-	22,026,533
Investment in associate	40,504	-	40,504	40,504	-	40,504
Investments at cost	81,734,576	9,520,772	91,255,348	80,051,197	61,779,016	141,830,213
Provision for diminution in the value of investments	7.2 (859,413)	-	(859,413)	(865,176)	-	(865,176)
Investments - net of provisions	80,875,163	9,520,772	90,395,935	79,186,021	61,779,016	140,965,037
Surplus / (deficit) on revaluation of held-for-trading securities - net	-	-	-	-	-	-
Deficit on revaluation of available-for-sale securities - net	(2,532,954)	-	(2,532,954)	(491,254)	-	(491,254)
Total investments	78,342,209	9,520,772	87,862,981	78,694,767	61,779,016	140,473,783

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

	Note	[Un-audited] September 30, 2018	[Audited] December 31, 2017
		Rupees in '000'	
7.2 Provision for diminution in the value of investments			
Opening balance		865,176	861,897
Charge for the period / year		-	18,771
Reversal on disposal		[5,763]	[15,492]
		[5,763]	3,279
Closing balance		859,413	865,176
8 ADVANCES			
Loans, cash credits, running finances, etc.			
In Pakistan		60,836,345	45,591,055
Outside Pakistan		-	-
		60,836,345	45,591,055
Islamic financing and related assets		34,957,333	40,855,200
Net investment in Ijarah:			
In Pakistan		1,142,556	761,525
Outside Pakistan		-	-
		1,142,556	761,525
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		339,470	331,582
Payable outside Pakistan		124,251	133,211
		463,721	464,793
Advances - gross	8.1	97,399,955	87,672,573
Provision against loan and advances	8.2		
Specific		[4,284,061]	[4,278,567]
General		[31,664]	[24,954]
		[4,315,725]	[4,303,521]
Advances - net of provision		93,084,230	83,369,052

- 8.1** Advances include Rs. 4,795.411 million (December 31, 2017: Rs. 4,808.257 million) which have been placed under non-performing status as detailed below:

	September 30, 2018 (Un-audited)				
Category of classification	Classified advances			Provision required	Provision held
	Domestic	Overseas	Total		
	-----Rupees in '000'-----				
Other Assets Especially Mentioned *	24,646	-	24,646	-	-
Substandard	152,736	-	152,736	36,843	36,843
Doubtful	127,351	-	127,351	21,496	21,496
Loss	4,490,678	-	4,490,678	4,225,722	4,225,722
	4,795,411	-	4,795,411	4,284,061	4,284,061

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

Category of classification	December 31, 2017 [Audited]			Provision required	Provision held
	Classified Advances				
	Domestic	Overseas	Total		
	-----Rupees in '000'-----				
Other Assets Especially Mentioned *	19,207	-	19,207	400	400
Substandard	60,908	-	60,908	12,267	12,267
Doubtful	75,886	-	75,886	7,093	7,093
Loss	4,652,256	-	4,652,256	4,258,807	4,258,807
	4,808,257	-	4,808,257	4,278,567	4,278,567

* Other Assets Especially Mentioned category pertains to agricultural finance and small enterprise finance.

8.1.1 State Bank of Pakistan through various circulars has allowed benefit of the forced sales value [FSV] of Plant & Machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against Non-Performing Loans (NPLs) for a maximum of five years from the date of classification. As at September 30, 2018, the Bank has availed cumulative benefit of forced sale values of Rs. 294,998 million [December 31, 2017: Rs. 422,657 million]. Increase in unappropriated profit net of tax amounting to Rs. 191,749 million [December 31, 2017: Rs. 274,727] is not available for the distribution of cash or stock dividend to the shareholders or bonus to employees.

8.2 Particulars of provision against loans and advances

	September 30, 2018 [Un-audited]			December 31, 2017 [Audited]		
	Specific	General	Total	Specific	General	Total
-----Rupees in '000'-----						
Opening balance	4,278,567	24,954	4,303,521	4,379,722	30,872	4,410,594
Charge for the period / year	306,275	6,710	312,985	438,441	-	438,441
Reversals	(300,781)	-	(300,781)	(539,596)	(5,918)	(545,514)
	5,494	6,710	12,204	(101,155)	(5,918)	(107,073)
Amounts written off	-	-	-	-	-	-
Closing balance	<u>4,284,061</u>	<u>31,664</u>	<u>4,315,725</u>	<u>4,278,567</u>	<u>24,954</u>	<u>4,303,521</u>

	(Un-audited) September 30, 2018	(Audited) December 31, 2017
	Rupees in '000'	
9 OPERATING FIXED ASSETS		
Capital work-in-progress	423,112	331,996
Property and equipment	1,870,778	1,973,305
Intangible assets	83,515	64,824
	<u>2,377,405</u>	<u>2,370,125</u>

9.1 Following additions / disposals have been made to / from property and equipment;

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

	September 30, 2018 (Un-audited)		September 30, 2017 (Un-audited)	
	Additions	Disposals	Additions	Disposals
	-----Rs.in '000'-----			
Building	-	-	153,001	-
Furniture and fixtures	16,023	1,572	38,231	5,926
Office equipment	44,233	2,581	116,262	6,913
Vehicles	324	2	1,909	3,280
Renovations / Premises	58,051	3,326	110,659	13,223
Library books	79	-	-	-
	118,710	7,481	420,062	29,342
9.2 Additions to intangible assets	60,394	-	48,869	-
			(Un-audited) September 30, 2018	(Audited) December 31, 2017
		Note	Rupees in '000'	
10 BORROWINGS FROM FINANCIAL INSTITUTIONS				
Secured				
Borrowings from State Bank of Pakistan under:				
Export refinance scheme			2,197,300	2,014,300
Long term financing facility			1,180,998	296,270
			3,378,298	2,310,570
Repurchase agreement borrowings	10.1		-	41,822,703
Bai Muajjal payable to other financial institution	10.2		9,520,772	19,956,313
			9,520,772	61,779,016
Unsecured				
Call borrowings	10.3		1,000,000	100,000
			13,899,070	64,189,586
10.1 Repurchase agreements with financial institutions carried interest rate 5.80% to 6.05% per annum.				
10.2 Secured borrowing from financial institution carries interest rate ranging from 6.04 % to 6.54 % [2017: 5.79% to 5.83%] per annum with maturities up to February 26, 2019.				
10.3 Call borrowing from financial institution carries interest rate of 7.03 % [2017: 5.60 %] per annum with maturities up to October 02, 2018.				
			(Un-audited) September 30, 2018	(Audited) December 31, 2017
			Rupees in '000'	
11 DEPOSITS AND OTHER ACCOUNTS				
Customers				
Fixed deposits			73,253,107	75,022,400
Savings deposits			62,164,917	47,813,215
Current accounts - non-remunerative			31,194,087	30,992,085
Call deposits			2,543,923	2,814,930
Margin and sundry deposits			3,406,370	2,563,796
			172,562,404	159,206,426
Financial Institutions				
Remunerative deposits			23,703	40,153
Non-remunerative deposits			1,041	395
			24,744	40,548
			172,587,148	159,246,974

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

	(Un-audited) September 30, 2018	(Audited) December 31, 2017
	Rupees in '000'	
12 DEFERRED TAX ASSET		
Provision for balances with other banks	3,510	3,510
Provision against loans and advances	8,602	22,221
Provision for diminution in the value of investments	87,203	87,203
Provision for other assets	3,448	3,448
Re-measurement of defined benefit plan	48,285	48,285
Accelerated tax depreciation	26,402	793
Islamic Pool Management reserve	47,743	42,352
Deficit on revaluation of investments	886,534	171,939
	1,111,727	379,751
13 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX		
Surplus / (deficit) on revaluation of available-for-sale securities		
Federal government securities:		
- Market Treasury Bills	(2,357)	(8,210)
- Pakistan Investment Bonds	(2,351,839)	(508,174)
- Government of Pakistan Sukuk	(106,448)	47,678
Fully paid up ordinary shares - listed	(72,310)	(22,548)
	(2,532,954)	(491,254)
Surplus on revaluation of fixed assets		
Leasehold land	774,183	774,183
	(1,758,771)	282,929
Related deferred tax asset	886,534	171,939
	(872,237)	454,868
14 CONTINGENCIES AND COMMITMENTS		
14.1 Direct credit substitutes		
Contingent liabilities in respect of guarantees given favouring:		
Banks	-	-
Others	686,191	622,070
	686,191	622,070
14.2 Transaction-related contingent liabilities		
Contingent liabilities in respect of performance bonds, bid bonds, warranties etc. given favouring:		
Government	10,753,886	10,404,667
Others	3,584,477	3,468,222
	14,338,363	13,872,889

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

This includes expired letters of guarantee aggregating to Rs. 3,261.799 million as at September 30, 2018 [December 31, 2017: Rs. 2,980.699 million] for which the formalities relating to return of the original documents are in process.

	(Un-audited) September 30, 2018	(Audited) December 31, 2017
	Rupees in '000'	
14.3 Trade-related contingent liabilities		
Letters of credit		
Sight	2,980,153	2,806,338
Usance	1,464,474	523,914
	4,444,627	3,330,252
Acceptances	2,936,665	741,477
	7,381,292	4,071,729
14.4 Commitments in respect of forward exchange contracts		
Purchase	1,937,398	1,005,048
Sale	2,008,171	1,175,536

All forward exchange contracts are backed by trade related transactions to meet the needs of the Bank's clients to generate trading revenues and, as part of its asset and liability management activity, to hedge its own exposure to currency risk. At the period end, all foreign exchange contracts have a remaining maturity of less than one year.

	(Un-audited) September 30, 2018	(Audited) December 31, 2017
	Rupees in '000'	
14.5 Other commitments		
Bills for collection		
Inland bills	49,469	57,559
Foreign bills	416,926	584,101
	466,395	641,660
14.6 Commitments to extend credit		

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 if the facility is unilaterally withdrawn.

14.7 Commitment for the acquisition of operating fixed assets

Commitments as on reporting date amounts to Rs. 25.926 million [December 31, 2017: Rs. 194.166 million].

14.8 The income tax assessments of the Bank have been finalized upto tax year 2017.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

14.9 During financial year 2011, the tax authorities issued an amended order for the tax year 2009 disallowing certain expenditure on account of lack of evidence for such expenditure resulting in an additional tax demand of Rs. 308.900 million. The Bank filed an appeal as well as rectification application against the said order. Based on rectification application, the order was amended and accordingly the additional demand was reduced to Rs. 256.349 million. During 2012, the Commissioner Inland Revenue (Appeals) [CIR (A)] through an order dated June 01, 2012 has deleted additions on account of disallowances except for the additions under certain heads of expenses having tax impact of approximately Rs. 23 million. The Bank had filed an appeal against the order of the Appellate Tribunal Inland Revenue (ATIR) in respect of remaining additions which also decided in favor of the Bank. Subsequently, CIR went in to appeal before Peshawar High Court, Peshawar. The management is confident that matter will be decided in Bank's favor, and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these financial statements.

14.10 The liquidator of the Indus Bank Limited (IBL), which is under liquidation since January 29, 2001, has lodged a claim of Rs. 11.518 million against the Bank in relation to a reverse repo transaction of Rs. 100 million with a maturity of February 08, 2001 secured against Federal Investment Bonds. The management of the Bank is confident that the above will have no financial impact as IBL is a defaulter of the Bank to the tune of Rs. 10.028 million which has already been provided for in these financial statements.

15 TAXATION

Includes super tax, levied through Finance Act, 2018, at the rate of 4 % on the taxable income for the period.

Three months ended September 30, 2018	Nine months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2017
-----Rupees in '000'-----			

16 EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation for the period	151,355	927,707	436,227	1,375,345
Weighted average number of ordinary shares outstanding during the period	1,000,252,485	1,000,252,485	1,000,252,485	1,000,252,485
Earnings per share - basic and diluted for the period (in Rupees)	0.15	0.93	0.44	1.38

There is no dilution effect on basic earnings per share.

17 FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which fair value measurement is categorized.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

September 30, 2018				
Fair Value				
Level 1	Level 2	Level 3	Total	
----- Rupees in '000' -----				
On balance sheet financial instruments				
Financial assets measured at fair value				
Held for trading securities				
- Market Treasury Bills	-	-	-	-
Available-for-sale securities				
- Market Treasury Bills	-	5,615,194	-	5,615,194
- Pakistan Investment Bonds	-	51,659,926	-	51,659,926
- Shares in listed companies	1,210,184	-	-	1,210,184
- GOP Sukuk	-	6,143,650	-	6,143,650
- Term Finance Certificates (TFCs)	-	1,538,265	-	1,538,265
	1,210,184	64,957,035	-	66,167,219
Non - Financial Assets measured at fair value				
Operating fixed assets [Leasehold land]	-	891,441	-	891,441
Off balance sheet financial instruments				
Foreign exchange contracts purchase	-	1,937,398	-	1,937,398
Foreign exchange contracts sale	-	2,008,171	-	2,008,171
December 31, 2017 [Audited]				
Fair Value				
Level 1	Level 2	Level 3	Total	
----- Rupees in '000' -----				
On balance sheet financial instruments				
Financial assets measured at fair value				
Held for trading securities				
-	-	-	-	-
Available-for-sale securities				
- Market Treasury Bills	-	46,635,133	-	46,635,133
- Pakistan Investment Bonds	-	60,305,974	-	60,305,974
- Shares in listed companies	1,332,879	-	-	1,332,879
- GOP Sukuk	-	6,297,975	-	6,297,975
- Term Finance Certificates (TFCs)	-	338,305	-	338,305
	1,332,879	113,577,387	-	114,910,266
Non - Financial Assets measured at fair value				
Operating fixed assets [Leasehold land]	-	891,441	-	891,441
Off balance sheet financial instruments				
Foreign exchange contracts purchase	-	1,005,048	-	1,005,048
Foreign exchange contracts sale	-	1,175,536	-	1,175,536

The valuation techniques used for above assets are same as disclosed in annual audited financial statements for the year ended December 31, 2017.

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.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

Level 2: Fair value measurements using inputs other than quoted prices included with in 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 inputs for the assets or liability that are not based on observable market data (i.e. unobservable inputs).

18 Risk Management	[Un-audited] September 30, 2018 Rupees in '000'	[Audited] December 31, 2017 Rupees in '000'
18.1 Liquidity Coverage Ratio		
High Quality Liquid Assets	73,515,568	102,173,000
Net Cash Outflows	57,187,786	52,212,000
Liquidity Coverage ratio [%]	128.55%	195.69%
18.2 Net Stable Funding Ratio		
Available stable funding	118,582,278	90,965,000
Required stable funding	88,128,624	80,750,000
Net Stable Funding Ratio [%]	134.56%	112.65%

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

19 ISLAMIC BANKING BUSINESS

19.1 The Bank operates 84 [December 31, 2017: 83] Islamic Banking Branches . The statement of financial position of Bank's Islamic Banking branches as at September 30, is as follows:

		(Un-audited) September 30, 2018	(Audited) December 31, 2017
	Note	Rupees in '000'	
ASSETS			
Cash and balances with treasury banks		3,048,389	2,730,430
Balances with other banks		954,229	874,074
Due from financial institutions		-	1,529,106
Investments		10,799,825	9,680,394
Islamic financing and related assets	19.4	35,966,199	41,472,160
Operating fixed assets		299,827	337,968
Other assets		975,773	796,780
Total Assets		52,044,242	57,420,912
LIABILITIES			
Bills payable		293,301	482,921
Due to Financial Institutions		1,000,000	550,000
Deposits and other accounts			
- Current accounts		17,572,170	16,183,766
- Saving accounts		18,579,954	16,388,903
- Term deposits		2,201,879	2,253,399
- Others		2,271,387	1,689,654
Deposits from financial institutions - remunerative		31	31
Deposits from financial institutions - non-remunerative		-	-
Other liabilities		1,094,300	552,765
Due to Head Office		4,236,778	14,674,193
		47,249,800	52,775,632
NET ASSETS		4,794,442	4,645,280
REPRESENTED BY			
Islamic banking fund		460,000	460,000
Reserves		105,701	42,671
Accumulated profit		4,335,189	4,094,931
		4,900,890	4,597,602
[Deficit] / surplus on revaluation of assets		[106,448]	47,678
		4,794,442	4,645,280
19.2 CHARITY FUND			
Opening balance		-	-
Additions during the period / year			
Default obligations amount (on delay payments)		6,152	16,417
Income from transactions declared in Non-Shariah Compliance		78	2,326
Purification of dividend/Income from shares		16	73
Others		77	18
		6,323	18,834
Distribution of charity			
Welfare		-	[7,734]
Health		-	[11,100]
Payments during the period / year		-	[18,834]
Closing balance		6,323	-

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

- 19.3 The profit and loss account of the Bank's Islamic Banking branches for the nine months ended September 30, is as follows:

	(Un-audited) September 30, 2018	(Un-audited) September 30, 2017
	Rupees in '000'	
Return earned	2,290,143	1,797,324
Return expensed	[852,117]	[542,616]
	1,438,026	1,254,708
[Reversal] / provision against loans and advances - net	[10,875]	[86,960]
[Reversal] for diminution in the value of investments	-	[7,951]
	[10,875]	[94,911]
Net return after provisions	1,448,901	1,349,619
OTHER INCOME		
Fee, commission and brokerage income	60,997	56,083
Dividend income	-	1,103
Income from dealing in foreign currencies	47,118	28,669
Unrealised gain / (loss) on revaluation of held-for-trading securities	-	-
Gain on sale of securities	-	-
Other income	33,498	31,995
Total other income	141,613	117,850
	1,590,514	1,467,469
OTHER EXPENSES		
Administrative expenses	1,088,914	968,044
Other charges	9,268	13
Total other charges	1,098,182	968,057
PROFIT BEFORE TAXATION	492,332	499,412
Taxation	192,009	194,771
PROFIT AFTER TAXATION	300,323	304,641
Remuneration to Shariah Advisor	2,859	2,859

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

		(Un-audited) September 30, 2018	(Audited) December 31, 2017
	Note	Rupees in '000'	
19.4 Islamic Financing and Related Assets			
Murabaha financings	A-1.1	3,045,935	3,555,655
Ijarah financings	A-1.2	1,142,556	761,525
Diminishing musharaka	A-1.3	4,131,851	1,853,726
Istisna work-in-progress	A-1.4	3,649,998	2,376,042
Qarz-e-Hasna		129,549	69,777
Running Musharakah		24,000,000	33,000,000
		36,099,889	41,616,725
Provision for non-performing facilities		(133,690)	(144,565)
		35,966,199	41,472,160
A-1.1 Murabaha financings			
Murabaha receivable		2,811,802	2,807,180
Assets / Inventories		234,133	748,475
		3,045,935	3,555,655
A-1.2 Ijarah financings			
Net investment in Ijarah		5,944	6,155
Ijarah under IFAS-II			
- Ijarah		1,118,017	742,077
- Advances		18,595	13,293
Assets/Inventories/Advances		1,136,612	755,370
		1,142,556	761,525
A-1.3 Diminishing musharaka			
Diminishing musharaka		2,989,140	1,766,682
Advances / Inventories		1,142,711	87,044
		4,131,851	1,853,726
A-1.4 Istisna Work in process			
Istisna work in process		3,449,998	2,376,042
Istisna sales receivable		200,000	-
		3,649,998	2,376,042

20 RELATED PARTY TRANSACTIONS

The Bank has related party relationships with Government of Khyber Pakhtunkhwa (majority shareholder), associate, directors, key management personnel (including their associates), employee benefit plans.

Banking transactions with related parties are carried out in the normal course of business at agreed terms. Contributions to and accruals in respect of staff retirement benefits and other benefit plan are made in accordance with actuarial valuation / terms of benefit plan. Refer to note No. 7.1 of the condensed interim financial statements for investment in related party.

Transactions with key management personnel are in accordance with the terms of their employment. Other transactions are at agreed terms.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

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

	September 30, 2018 (Un-audited)			December 31, 2017 (Audited)		
	Directors and key management personnel	Associate	Employee Funds	Directors and key management personnel	Associate	Employee Funds
	-----Rupees in '000'-----					
Advances:						
At January 1,	260,785	-	-	193,406	-	-
Disbursed during the period / year	54,083	-	-	128,731	-	-
Repaid during the period / year	(55,194)	-	-	(61,352)	-	-
Balance as at September 30 / December 31	<u>259,674</u>	<u>-</u>	<u>-</u>	<u>260,785</u>	<u>-</u>	<u>-</u>
Deposits:						
At January 1,	26,770	21,546	26,438	43,360	21,677	281,325
Deposited during the period / year	242,488	37,726	532,199	376,771	32,172	1,864,743
Repaid during the period / year	(224,630)	(32,082)	(533,094)	(393,361)	(32,303)	(2,119,630)
Balance as at September 30 / December 31	<u>44,628</u>	<u>27,190</u>	<u>25,543</u>	<u>26,770</u>	<u>21,546</u>	<u>26,438</u>
Placements	<u>-</u>	<u>-</u>	<u>2,017,500</u>	<u>-</u>	<u>-</u>	<u>1,934,000</u>

	For the nine months ended September 30, 2018 (Un-audited)			For the nine months ended September 30, 2017 (Un-audited)		
	Directors and key management personnel	Associate	Employee Funds	Directors and key management personnel	Associate	Employee Funds
	-----Rupees in '000'-----					

Transactions, income and expenditure

Mark-up / return / interest earned	<u>5,861</u>	<u>-</u>	<u>-</u>	<u>5,645</u>	<u>-</u>	<u>-</u>
Mark-up / return / interest expensed	<u>497</u>	<u>820</u>	<u>108,976</u>	<u>923</u>	<u>707</u>	<u>53,616</u>
Fees and expenses	<u>10,719</u>	<u>-</u>	<u>-</u>	<u>6,383</u>	<u>-</u>	<u>-</u>

- 20.2 Although the Government of Khyber Pakhtunkhwa holds 70.20% shares of the Bank (December 31, 2017: 70.20%), the transactions with it have not been treated as related party transactions for the purpose of this disclosure.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

21 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	For the nine months ended September 30, 2018 (Un-audited)				
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Total
	-----Rupees in '000'-----				
Total income	2,591,545	5,974,790	344,765	2,251,323	11,162,423
Total expenses	(2,299,276)	(5,653,560)	(303,163)	(1,978,718)	(10,234,716)
Net income	292,269	321,230	41,602	272,605	927,707
	-----Rupees in '000'-----				
	For the nine months ended September 30, 2017 (Un-audited)				
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Total
	-----Rupees in '000'-----				
Total income	5,229,864	4,500,116	364,874	2,067,621	12,162,475
Total expenses	(4,635,134)	(3,996,082)	(325,637)	(1,830,276)	(10,787,130)
Net income	594,730	504,034	39,237	237,345	1,375,345

22 DATE OF AUTHORISATION

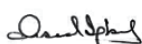
This condensed interim financial information was authorised for issue on October 19, 2018 by the Board of Directors of the Bank.



Chief Financial
Officer



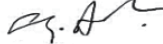
Acting Managing
Director



Director



Director



Director



The Bank of Khyber



24, The Mall, Peshawar Cantt.



111.95.95.95



info@bok.com.pk



www.bok.com.pk