

Along the Silk Road



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Corporate Information

Board of Directors	Lt Gen Khalid Nawaz Khan, HI (M) (Retd), Sitara-i-Esar - Chairman Lt Gen Muhammad Haroon Aslam, HI (M), S Bt (Retd) Lt Gen Shafqaat Ahmed, HI (M) (Retd) Mr. Qaiser Javed Dr. Nadeem Inayat Mr. Manzoor Ahmed - NIT Nominee Mr. Asif Reza Sana Mr. Zaffar Ahmad Khan Mr. Tariq Hafeez Malik Mr. Muhammad Ghous Syed M. Husaini - President & Chief Executive
Board Audit & Compliance Committee	Mr. Asif Reza Sana - Chairman Mr. Qaiser Javed Dr. Nadeem Inayat Mr. Manzoor Ahmed Mr. Muhammad Ghous
Shariah Board	Mufti Muhammad Zahid - Chairman Mufti Ismatullah - Member Dr. Muhammad Tahir Mansoori - Resident Shariah Board Member
Auditors	M/s A. F. Ferguson & Co Chartered Accountants
Legal Advisors	RIAA, Barker Gillette Advocates & Corporate Counselors
Company Secretary	Mr. Umar Shahzad
Registered Office	AWT Plaza, The Mall, P. O. Box No. 1084 Rawalpindi – 46000, Pakistan. Tel: (92 51) 9272467 & 9063752-3 UAN: (92 51) 111 000 787 Fax: (92 51) 9272455 & (92 51) 9272445 E-mail: webmaster@askaribank.com.pk
Registrar & Share Transfer Office	THK Associates (Private) Limited 2nd Floor, State Life Building No.3 Dr. Ziauddin Ahmad Road P. O. Box: 8533, Karachi – 75530 Tel: (92 21) 111 000 322 Fax: (92 21) 35655595
Entity Ratings	Long Term: AA Short Term: A1+ By JCR-VIS Credit Rating Company Limited
Website	www.akbl.com.pk
Social Media	 www.facebook.com/askaribankpakistan  www.twitter.com/askari_bank

Directors' Review

Dear Shareholders

The Directors present the unaudited condensed interim unconsolidated financial information for the quarter ended March 31, 2016. The financial results are summarized as under:

	Rupees in thousand	
	March 31, 2016	March 31, 2015
Profit before provisions and taxation	1,889,257	2,226,869
Reversal / (Provision) against loans and advances	105,958	(175,296)
Provision / Impairment against investments	(113,672)	(151,958)
	(7,714)	(327,254)
Profit before taxation	1,881,543	1,899,615
Taxation	(658,612)	(639,717)
Profit after taxation	<u>1,222,931</u>	<u>1,259,898</u>
Basic earning per share - Rupee	<u>0.97</u>	<u>1.00</u>

The Bank performed well during the quarter under review as customer deposits increased to Rs.449 billion at March 31, 2016 from Rs.433 billion at the close of 2015, a 4% growth during the quarter. On March 31, 2016, net advances stood at Rs.209 billion compared to Rs.200 billion at December 31, 2015, another 4% growth during the quarter under review. However, a 1% increase in net markup income reflects the impact of incremental balance sheet growth largely being offset by a sharp decline in bench mark rates compared to the corresponding quarter of last year.

Trade and business related non fund income increased by 3% during the quarter; however the aggregate non markup income declined marginally, by 2% over the first quarter of previous year. Administrative expenses increased by 12% mainly due to the additional expenses of new branches being added to the nation-wide network.

During the quarter under review, aggregate non-performing advances declined by 2% to Rs.30.8 billion, from Rs.31.5 billion at year end 2015 as the Bank is aggressively pursuing recoveries. Resultantly, the net provision against non-performing assets reduced to Rs.8 million for the current quarter, compared to Rs.327 million for the quarter ended March 31, 2015, and was the main reason for a mostly sustained bottom line profits; profit before and after taxation of Rs.1.88 billion and Rs. 1.22 billion, respectively.

Your Bank now has a network of 424 branches, including 75 Islamic Banking branches, 32 sub-branches and a Wholesale Bank Branch in Bahrain. Our first representative office in Beijing, China is expected to be functional during the second quarter of the current year and will facilitate our growing business with the neighboring country. Continuing with our branch expansion policy, the Bank intends to open more branches during 2016, introduce improved products and service offerings, while maintaining focus on operational efficiencies – to further grow Bank's business, balance sheet and revenues.

We would like to thank our valued customers for their continued patronage and support, to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and other regulatory authorities for their guidance, to our shareholders for the trust and confidence reposed in us, and to our staff who continue to contribute to the organization and hence enable us to perform consistently in a challenging business environment.

- sd -

Syed M. Husaini
President & Chief Executive

Rawalpindi
April 22, 2016

- sd -

Lt Gen Khalid Nawaz Khan
HI (M) (Retd), Sitara-i-Esar
Chairman

Condensed Interim Unconsolidated Statement of Financial Position

As at March 31, 2016

		(Un-audited) March 31, 2016	(Audited) December 31, 2015
	Note	(Rupees in thousand)	
Assets			
Cash and balances with treasury banks		28,596,671	29,685,228
Balances with other banks		3,554,598	8,295,724
Lendings to financial institutions		6,514,306	812,898
Investments	7	273,404,026	268,020,706
Advances	8	208,772,258	199,930,812
Operating fixed assets	9	9,303,097	9,230,010
Deferred tax assets		-	-
Other assets		17,893,454	19,891,336
		<u>548,038,410</u>	<u>535,866,714</u>
Liabilities			
Bills payable		7,169,708	6,094,885
Borrowings	11	47,336,597	57,323,250
Deposits and other accounts	12	448,810,136	433,172,205
Sub-ordinated loans		4,996,000	4,996,800
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities	10	1,487,877	96,404
Other liabilities		7,662,110	7,330,227
		<u>517,462,428</u>	<u>509,013,771</u>
Net assets		<u>30,575,982</u>	<u>26,852,943</u>
Represented by			
Share capital	13	12,602,602	12,602,602
Reserves		9,453,831	6,445,888
Unappropriated profit		978,345	2,763,314
		<u>23,034,778</u>	<u>21,811,804</u>
Surplus on revaluation of assets - net of tax	14	7,541,204	5,041,139
		<u>30,575,982</u>	<u>26,852,943</u>
Contingencies and Commitments	15		

The annexed notes 1 to 21 and Annexure form an integral part of this condensed interim unconsolidated financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)

For the quarter ended March 31, 2016

		Quarter ended March 31, 2016	Quarter ended March 31, 2015
	Note	(Rupees in thousand)	
Mark-up / return / interest earned		8,404,405	9,505,671
Mark-up / return / interest expensed		4,839,126	5,981,050
Net mark-up / interest income		<u>3,565,279</u>	<u>3,524,621</u>
Provision / (reversal of provision) against non-performing loans and advances - net	8.1	(105,958)	175,296
Impairment loss on available for sale investments		-	42,154
Provision for diminution in the value of investments - net		113,672	109,804
Bad debts written off directly		-	-
		<u>7,714</u>	<u>327,254</u>
Net mark-up / interest income after provisions		<u>3,557,565</u>	<u>3,197,367</u>
Non mark-up / interest income			
Fee, commission and brokerage income		423,928	341,102
Dividend income		42,889	43,744
Income from dealing in foreign currencies		211,475	277,248
Gain on sale of securities - net	16	831,583	830,531
Unrealised gain / (loss) on revaluation of investments classified as held for trading - net		-	-
Other income		86,958	140,810
		<u>1,596,833</u>	<u>1,633,435</u>
Total non-markup / interest income		<u>5,154,398</u>	<u>4,830,802</u>
Non mark-up / interest expenses			
Administrative expenses		3,227,628	2,870,975
Other provisions / write offs		-	118
Other charges		45,227	60,094
Total non-markup / interest expenses		<u>3,272,855</u>	<u>2,931,187</u>
		<u>1,881,543</u>	<u>1,899,615</u>
Extra ordinary / unusual items		-	-
Profit before taxation		<u>1,881,543</u>	<u>1,899,615</u>
Taxation - current		613,328	624,260
- prior years'		-	-
- deferred		45,284	15,457
		<u>658,612</u>	<u>639,717</u>
Profit after taxation		<u>1,222,931</u>	<u>1,259,898</u>
Basic earning per share - Rupee		<u>0.97</u>	<u>1.00</u>

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Director

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Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the quarter ended March 31, 2016

	Quarter ended March 31, 2016	Quarter ended March 31, 2015
	(Rupees in thousand)	
Profit after taxation	1,222,931	1,259,898
Other comprehensive income		
Items that are or may be reclassified subsequently to profit and loss account		
Exchange difference on translation of net investment in Wholesale Bank Branch	43	2,922
Comprehensive income - transferred to statement of changes in equity	<u>1,222,974</u>	<u>1,262,820</u>
Components of comprehensive income not reflected in equity		
Surplus on revaluation of available for sale securities - net of tax	<u>1,604,719</u>	<u>1,075,610</u>
Total comprehensive income	<u><u>2,827,693</u></u>	<u><u>2,338,430</u></u>

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Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the quarter ended March 31, 2016

	Quarter ended March 31, 2016	Quarter ended March 31, 2015
	(Rupees in thousand)	
Cash flow from operating activities		
Profit before taxation	1,881,543	1,899,615
Less: dividend income	(42,889)	(43,744)
	<u>1,838,654</u>	<u>1,855,871</u>
Adjustments:		
Depreciation / amortization	233,195	189,658
(Reversal of provision) / provision against non-performing advances - net	(105,958)	175,296
Impairment loss on available for sale investments	-	42,154
Provision for diminution in the value of investments - net	113,672	109,804
Net profit on sale of operating fixed assets	(1,645)	(1,927)
	<u>239,264</u>	<u>514,985</u>
	<u>2,077,918</u>	<u>2,370,856</u>
(Increase) / decrease in operating assets		
Lendings to financial institutions	(5,701,408)	(723,606)
Advances	(8,729,336)	(4,643,719)
Other assets (excluding advance taxation)	3,395,873	2,947,424
	<u>(11,034,871)</u>	<u>(2,419,901)</u>
Increase / (decrease) in operating liabilities		
Bills payable	1,074,823	4,082,068
Borrowings	(9,986,653)	19,222,450
Deposits and other accounts	15,637,931	(1,532,497)
Other liabilities (excluding current taxation)	332,928	373,075
	<u>7,059,029</u>	<u>22,145,096</u>
Cash flow before tax	<u>(1,897,924)</u>	<u>22,096,051</u>
Income tax paid	(599,676)	(70,192)
Net cash (outflow) / inflow from operating activities	<u>(2,497,600)</u>	<u>22,025,859</u>
Cash flow from investing activities		
Net investments in available for sale securities	(3,556,383)	(12,986,943)
Net investments in held to maturity securities	528,189	(1,620,438)
Dividend income	2,592	2,170
Investments in operating fixed assets - net of adjustment	(311,184)	(433,242)
Sale proceeds of operating fixed assets - disposed off	6,505	9,215
Net cash outflow from investing activities	<u>(3,330,281)</u>	<u>(15,029,238)</u>
Cash flow from financing activities		
Payments of sub-ordinated loans	(800)	(800)
Dividends paid	(1,045)	(876)
Net cash outflow from financing activities	<u>(1,845)</u>	<u>(1,676)</u>
Effect of translation of net investment in Wholesale Bank Branch	43	2,922
(Decrease) / increase in cash and cash equivalents	<u>(5,829,683)</u>	<u>6,997,867</u>
Cash and cash equivalents at beginning of the period	<u>37,980,952</u>	<u>27,625,977</u>
Cash and cash equivalents at end of the period	<u>32,151,269</u>	<u>34,623,844</u>
Cash and cash equivalents at end of the period		
Cash and balances with treasury banks	28,596,671	24,513,363
Balances with other banks	3,554,598	6,701,369
Call money lendings	-	3,409,112
	<u>32,151,269</u>	<u>34,623,844</u>

The annexed notes 1 to 21 and Annexure form an integral part of this condensed interim unconsolidated financial information.

- sd -
President & Chief Executive

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Director

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Director

- sd -
Chairman

Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited)

For the quarter ended March 31, 2016

(Rupees in thousand)

	Share capital	Exchange translation reserve	Share premium account	Statutory reserve	Revenue Reserves		Total
					General reserve	Unappropriated profit	
Balance as at January 01, 2015	12,602,602	89,326	234,669	4,702,503	(202,760)	1,862,223	19,288,563
Transfer to General reserve:	-	-	-	-	1,862,223	(1,862,223)	-
Total comprehensive income for the quarter ended March 31, 2015							
Net profit for the quarter ended March 31, 2015	-	-	-	-	-	1,259,898	1,259,898
Other comprehensive income related to equity	-	2,922	-	-	-	-	2,922
	-	2,922	-	-	-	1,259,898	1,262,820
Transfer to Statutory reserve	-	-	-	251,980	-	(251,980)	-
Transaction with owners, recorded directly in equity							
Final dividend 2014: Re. 1.00 per share	-	-	-	-	(1,260,260)	-	(1,260,260)
Balance as at March 31, 2015	12,602,602	92,248	234,669	4,954,483	399,203	1,007,918	19,291,123
Total comprehensive income for the nine months ended December 31, 2015							
Net profit for the nine months ended December 31, 2015	-	-	-	-	-	3,783,521	3,783,521
Other comprehensive income related to equity	-	8,581	-	-	-	(11,161)	(2,580)
	-	8,581	-	-	-	3,772,360	3,780,941
Transfer to Statutory reserve	-	-	-	756,704	-	(756,704)	-
Transaction with owners, recorded directly in equity							
Interim dividend 2015: Re. 1.00 per share	-	-	-	-	-	(1,260,260)	(1,260,260)
Balance as at December 31, 2015	12,602,602	100,829	234,669	5,711,187	399,203	2,763,314	21,811,804
Transfer to General reserve	-	-	-	-	2,763,314	(2,763,314)	-
Total comprehensive income for the quarter ended March 31, 2016							
Net profit for the quarter ended March 31, 2016	-	-	-	-	-	1,222,931	1,222,931
Other comprehensive income related to equity	-	43	-	-	-	-	43
	-	43	-	-	-	1,222,931	1,222,974
Transfer to Statutory reserve	-	-	-	244,586	-	(244,586)	-
Balance as at March 31, 2016	<u>12,602,602</u>	<u>100,872</u>	<u>234,669</u>	<u>5,955,773</u>	<u>3,162,517</u>	<u>978,345</u>	<u>23,034,778</u>

The annexed notes 1 to 21 and Annexure form an integral part of this condensed interim unconsolidated financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

1. STATUS AND NATURE OF BUSINESS

Askari Bank Limited (the Bank) was incorporated in Pakistan on October 9, 1991 as a public limited company and commenced business operations from April 1, 1992. The registered office of the Bank is situated at AWT Plaza, the Mall, Rawalpindi and its shares are listed on the Pakistan Stock Exchange (formerly Karachi, Lahore and Islamabad Stock Exchange).

The Fauji Consortium: comprising of Fauji Foundation (FF), Fauji Fertilizer Company Limited (FFCL) and Fauji Fertilizer Bin Qasim Limited (FFBL) collectively owned 71.91 percent shares of the Bank as on March 31, 2016. The ultimate parent of the Bank is Fauji Foundation. The Bank has 424 branches (December 31, 2015: 424 branches); 423 in Pakistan and Azad Jammu and Kashmir, including 75 (December 31, 2015: 75) Islamic Banking branches, 32 (December 31, 2015: 32) sub-branches and a Wholesale Bank Branch in the Kingdom of Bahrain.

The Bank is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962.

2. BASIS OF MEASUREMENT

This condensed interim unconsolidated financial information has been prepared under historical cost convention except that certain fixed assets are stated at revalued amount and certain investments, non-banking assets acquired in satisfaction of claims and commitments in respect of forward foreign exchange contracts have been marked to market and are carried at fair value and certain staff retirement benefits are carried at present value.

This condensed interim unconsolidated financial information is presented in Pak Rupee which is the Bank's functional and presentation currency.

3. STATEMENT OF COMPLIANCE

This condensed interim unconsolidated financial information of the Bank for the quarter ended March 31, 2016 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 34, 'Interim Financial Reporting', requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the provisions of and directives issued by the State Bank of Pakistan (SBP) and Securities and Exchange Commission of Pakistan (SECP). In case the requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the requirements of said directives have been followed.

The disclosures made in this condensed interim unconsolidated financial information have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2 dated May 12, 2004 and International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34) and do not include all the information as required in the annual financial statements. Accordingly, this condensed interim unconsolidated financial information should be read in conjunction with the annual financial statements of the Bank for the year ended December 31, 2015.

SBP vide BSD Circular No. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, 'Financial Instrument: Recognition and Measurement' (IAS 39) and International Accounting Standard 40, 'Investment Property' (IAS 40), for banking companies till further instructions. Further, according to the notification of SECP dated April 28, 2008, the International Financial Reporting Standard 7, 'Financial Instruments: Disclosures' (IFRS 7), has not been made applicable for banks. However, investments have been valued in accordance with the

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

requirements of various circulars issued by SBP.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2015.

5. ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2015.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objective and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements of the Bank for the year ended December 31, 2015.

7. INVESTMENTS

March 31, 2016 - (Un-audited)			December 31, 2015 - (Audited)		
Held by the Bank	Given as collateral	Total	Held by the Bank	Given as collateral	Total

7.1 Investments by types:

(Rupees in thousand)

Available for sale securities

Market Treasury Bills	101,416,614	398,973	101,815,587	100,118,219	3,841,766	103,959,985
Pakistan Investment Bonds	110,325,247	32,400,851	142,726,098	97,233,634	41,976,443	139,210,077
Fully paid ordinary shares / units	2,718,798	-	2,718,798	2,811,897	-	2,811,897
Units of open end mutual funds	1,782,635	-	1,782,635	1,783,068	-	1,783,068
Fully paid preference shares	50,100	-	50,100	150,100	-	150,100
Term Finance Certificates	4,398,228	-	4,398,228	4,681,860	-	4,681,860
Sukuk Certificates	4,986,557	-	4,986,557	2,544,682	-	2,544,682
Government of Pakistan Euro Bonds	1,594,175	-	1,594,175	1,374,126	-	1,374,126
	<u>227,272,354</u>	<u>32,799,824</u>	<u>260,072,178</u>	<u>210,697,586</u>	<u>45,818,209</u>	<u>256,515,795</u>

Held to maturity securities

Government of Pakistan Euro Bonds	1,690,146	-	1,690,146	2,420,797	-	2,420,797
Sukuk Certificates	5,562,216	-	5,562,216	5,359,754	-	5,359,754
	<u>7,252,362</u>	<u>-</u>	<u>7,252,362</u>	<u>7,780,551</u>	<u>-</u>	<u>7,780,551</u>

Investment in subsidiaries

Askari Investment Management Limited	335,000	-	335,000	335,000	-	335,000
Askari Securities Limited	114,789	-	114,789	114,789	-	114,789

Investments at cost

	<u>234,974,505</u>	<u>32,799,824</u>	<u>267,774,329</u>	<u>218,927,926</u>	<u>45,818,209</u>	<u>264,746,135</u>
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Provision for diminution in value of investments

	<u>(2,187,575)</u>	<u>-</u>	<u>(2,187,575)</u>	<u>(2,073,903)</u>	<u>-</u>	<u>(2,073,903)</u>
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Investments - net of provisions

	<u>232,786,930</u>	<u>32,799,824</u>	<u>265,586,754</u>	<u>216,854,023</u>	<u>45,818,209</u>	<u>262,672,232</u>
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Surplus on revaluation of available for sale securities - net

	<u>6,363,943</u>	<u>1,453,329</u>	<u>7,817,272</u>	<u>4,408,601</u>	<u>939,873</u>	<u>5,348,474</u>
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Total investments

	<u><u>239,150,873</u></u>	<u><u>34,253,153</u></u>	<u><u>273,404,026</u></u>	<u><u>221,262,624</u></u>	<u><u>46,758,082</u></u>	<u><u>268,020,706</u></u>
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Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

	Note	(Un-audited) March 31, 2016	(Audited) December 31, 2015
(Rupees in thousand)			
8. ADVANCES			
Loans, cash credits, running finances, etc.			
In Pakistan		197,485,391	190,572,671
Outside Pakistan		<u>3,230,039</u>	<u>3,573,890</u>
		200,715,430	194,146,561
Islamic financing and related assets (gross)	A-2.1	22,408,510	21,119,200
Net investment in finance lease - In Pakistan		5,055,626	4,488,060
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		3,652,469	2,979,217
Payable outside Pakistan		<u>5,316,451</u>	<u>5,679,960</u>
		8,968,920	8,659,177
Advances - gross		237,148,486	228,412,998
Provision for non-performing advances	8.1		
Specific provision		(27,923,888)	(28,048,973)
General provision		(206,024)	(196,941)
General provision against consumer loans		<u>(246,316)</u>	<u>(236,272)</u>
		(28,376,228)	(28,482,186)
Advances - net of provision		<u>208,772,258</u>	<u>199,930,812</u>

8.1 Particulars of provision against non-performing advances

	March 31, 2016 - (Un - audited)				December 31, 2015 - (Audited)			
	Specific	General	Consumer Financing General	Total	Specific	General	Consumer Financing General	Total
(Rupees in thousand)								
Opening balance	28,048,973	196,941	236,272	28,482,186	27,801,250	177,555	190,260	28,169,065
Charge for the period / year	539,928	9,187	13,256	562,371	1,790,206	34,687	49,966	1,874,859
Reversal for the period / year	(665,013)	(104)	(3,212)	(668,329)	(1,539,764)	(15,301)	(3,954)	(1,559,019)
Net charge / (reversal) for the period / year	(125,085)	9,083	10,044	(105,958)	250,442	19,386	46,012	315,840
Amounts written off	-	-	-	-	(2,719)	-	-	(2,719)
Closing balance	<u>27,923,888</u>	<u>206,024</u>	<u>246,316</u>	<u>28,376,228</u>	<u>28,048,973</u>	<u>196,941</u>	<u>236,272</u>	<u>28,482,186</u>

8.2 The net Forced Sale Value (FSV) benefit already availed has been decreased by Rs. 146,961 thousand, which has resulted in an increased charge for specific provision for the period by the same amount. Had the FSV benefit not reduced, before and after tax profit for the period would have been higher by Rs. 146,961 thousand (2015: lower by Rs. 45,834 thousand) and Rs. 95,525 thousand (2015: lower by Rs. 29,792 thousand) respectively. Further, at March 31, 2016, cumulative net of tax benefit of FSV is Rs. 1,086,348 thousand (December 31, 2015: Rs. 1,181,873 thousand) under BSD circular No. 1 of 2011 dated October 21, 2011. Reserves and un-appropriated profit to that extent are not available for payment of cash or stock dividend / bonus to employees.

8.3 The Bank has availed the relaxation of Rs. 102,460 thousand (December 31, 2015: Rs. 102,567 thousand) allowed by the SBP for maintaining provisions as per time based criteria of Prudential Regulations.

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

8.4 Advances include Rs. 30,818,135 thousand (December 31, 2015: Rs. 31,483,717 thousand) which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2016 - (Un-audited)				
	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
	(Rupees in thousand)				
Other Assets Especially Mentioned - note 8.4.1	352,657	-	352,657	-	-
Substandard	175,153	-	175,153	21,635	21,635
Doubtful	1,274,392	-	1,274,392	359,123	359,123
Loss	29,015,933	-	29,015,933	27,543,130	27,543,130
	<u>30,818,135</u>	<u>-</u>	<u>30,818,135</u>	<u>27,923,888</u>	<u>27,923,888</u>
Category of classification	December 31, 2015 - (Audited)				
	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
	(Rupees in thousand)				
Other Assets Especially Mentioned - note 8.4.1	313,822	-	313,822	-	-
Substandard	1,202,328	-	1,202,328	199,079	199,079
Doubtful	596,758	-	596,758	86,097	86,097
Loss	29,370,809	-	29,370,809	27,763,797	27,763,797
	<u>31,483,717</u>	<u>-</u>	<u>31,483,717</u>	<u>28,048,973</u>	<u>28,048,973</u>

8.4.1 This represents classification made for Agricultural, Mortgage and Small Entities finances.

	Note	(Un-audited)	(Audited)
		March 31, 2016	December 31, 2015
(Rupees in thousand)			
9. OPERATING FIXED ASSETS			
Capital work-in-progress		332,443	318,840
Property and equipment	9.1	8,074,414	7,978,711
Intangibles	9.2	941,679	977,898
		9,016,093	8,956,609
Provision against operating fixed assets		(45,439)	(45,439)
		<u>9,303,097</u>	<u>9,230,010</u>

9.1 Property and equipment

Book value at beginning of the period / year	7,978,711	6,785,951
Cost of additions / revaluation during the period / year	289,867	1,893,894
Book value of deletions / transfers during the period / year	(4,522)	(10,349)
Depreciation charge for the period / year	(189,611)	(690,325)
Book value of adjustments during the period / year	(31)	(460)
Book value at end of the period / year	<u>8,074,414</u>	<u>7,978,711</u>

9.2 Intangibles

Book value at beginning of the period / year	977,898	1,105,270
Cost of additions during the period / year	7,714	46,469
Book value of deletions / transfers during the period / year	(338)	-
Amortization charge for the period / year	(43,584)	(173,854)
Book value of adjustments during the period / year	(11)	13
Book value at end of the period / year	<u>941,679</u>	<u>977,898</u>

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

	(Un-audited) March 31, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
10. DEFERRED TAX LIABILITIES		
Deferred (credits) / debits arising due to:		
Accelerated tax depreciation and amortization	(576,485)	(531,201)
Provision against non-performing advances		
- excess of 1% of total advances	2,181,302	2,181,302
- classified in sub-standard category	71,278	71,278
	<u>1,676,095</u>	<u>1,721,379</u>
Surplus on revaluation of available for sale securities	(2,736,045)	(1,871,966)
Surplus on revaluation of non banking assets	(482,110)	-
Actuarial losses	54,183	54,183
	<u>(1,487,877)</u>	<u>(96,404)</u>
11. BORROWINGS		
Secured - in Pakistan local currency		
Borrowings from the State Bank of Pakistan:		
- Export refinance scheme	9,124,812	9,314,529
- Long term financing of export oriented projects	7,386	7,386
- Long term financing facility	1,598,365	1,005,047
- Financing facility for storage of agricultural produce	15,000	-
	<u>10,745,563</u>	<u>10,326,962</u>
Repo borrowings		
- State Bank of Pakistan	33,609,796	42,646,764
- Financial Institutions	397,714	3,842,399
	<u>34,007,510</u>	<u>46,489,163</u>
Unsecured - in Pakistan local currency		
- Call borrowings	1,850,000	500,000
- Overdrawn balance with other banks	50	98
	<u>1,850,050</u>	<u>500,098</u>
	46,603,123	57,316,223
Outside Pakistan - foreign currencies		
- Overdrawn nostro accounts - unsecured	733,474	7,027
	<u>47,336,597</u>	<u>57,323,250</u>
12. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	101,561,614	87,271,214
Savings deposits	227,576,730	230,891,271
Current accounts - remunerative	596,717	735,829
Current accounts - non-remunerative	107,818,559	105,536,733
Special exporters' account	43,795	59,733
Margin accounts	2,703,214	2,724,193
Others	764,723	824,850
Financial institutions		
Remunerative deposits	7,590,842	4,959,028
Non-Remunerative deposits	153,942	169,354
	<u>448,810,136</u>	<u>433,172,205</u>

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

13. SHARE CAPITAL

13.1 Authorized capital

(Un-audited) March 31, 2016	(Audited) December 31, 2015		(Un-audited) March 31, 2016	(Audited) December 31, 2015
Number of shares			(Rupees in thousand)	
1,600,000,000	1,600,000,000	Ordinary shares of Rs. 10 each	16,000,000	16,000,000

13.2 Issued, subscribed and paid up capital

(Un-audited) March 31, 2016	(Audited) December 31, 2015			
Number of shares		Ordinary shares of Rs. 10 each:		
514,689,096	514,689,096	Fully paid in cash	5,146,891	5,146,891
717,297,769	717,297,769	Issued as bonus shares	7,172,978	7,172,978
28,273,315	28,273,315	Issued on Askari Leasing Limited merger	282,733	282,733
1,260,260,180	1,260,260,180		12,602,602	12,602,602

14. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus on revaluation of land	1,564,631	1,564,631
Surplus on revaluation of non banking assets	1,377,456	-
Less: related deferred tax	(482,110)	-
	895,346	-
Surplus / (deficit) on revaluation of available for sale investments		
i) Federal Government securities	7,886,901	5,358,513
ii) Listed shares	(240,558)	(108,910)
iii) Units of open end mutual funds	162,018	136,286
iv) Other securities	8,911	(37,415)
	7,817,272	5,348,474
Less: related deferred tax	(2,736,045)	(1,871,966)
	5,081,227	3,476,508
	7,541,204	5,041,139

15. CONTINGENCIES AND COMMITMENTS

15.1 Direct credit substitutes

11,321,509	6,791,143
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15.2 Transaction-related contingent liabilities

Money for which the Bank is contingently liable:

Contingent liability in respect of guarantees given on behalf of directors or officers or any of them (severally or jointly) with any other person, subsidiaries and associated undertakings.

603,164	609,971
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Contingent liability in respect of guarantees given, favouring:

i) Government	77,252,649	64,533,613
ii) Banks and other financial institutions	4,330,241	10,575,081
iii) Others	9,114,199	12,944,217
	90,697,089	88,052,911
	91,300,253	88,662,882

These include guarantees amounting to Rs.1,068,362 thousand (December 31, 2015: Rs.1,038,657 thousand) against which the Bank is contesting court proceedings and these are not likely to result in any liability against the Bank.

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

	(Un-audited) March 31, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
15.3 Trade-related contingent liabilities	<u>118,891,956</u>	<u>81,107,284</u>
15.4 Other Contingencies		
15.4.1 These represent certain claims by third parties against the Bank, which are being contested in the Courts of law. The management is of the view that these relate to the normal course of business and are not likely to result in any liability against the Bank.	<u>773,793</u>	<u>761,444</u>
15.4.2 The Bank is contesting a case filed against it and some of its employees in the Sindh High Court for declaration and damages. Based on outside legal advice, the case of declaration is likely to be decided in the Bank's favour. However, in case of award of damages, the potential liability of the Bank is estimated not to be more than Rs. 100 million (December 31, 2015: Rs. 100 million).		
	(Un-audited) March 31, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
15.5 Commitments in respect of forward lending		
Commitment against "Repo" transactions		
Purchase and resale agreements	6,008,896	292,361
Sale and repurchase agreements	<u>34,054,620</u>	<u>46,551,819</u>
15.6 Commitments in respect of forward exchange contracts		
Purchase	29,626,896	26,019,601
Sale	<u>17,884,278</u>	<u>17,473,121</u>
The above commitments have maturities falling within one year.		
15.7 Commitments for acquisition of operating fixed assets	<u>186,249</u>	<u>200,797</u>
15.8 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 or expense if the facility is unilaterally withdrawn except for	<u>9,924,399</u>	<u>8,789,588</u>
15.9 Other commitments		
This represents participation in the equity of proposed Mortgage Refinance Company.	<u>300,000</u>	<u>300,000</u>
15.10 Bills For Collection		
Payable in Pakistan	3,067,070	2,280,969
Payable outside Pakistan	<u>13,275,607</u>	<u>12,517,571</u>
	<u>16,342,677</u>	<u>14,798,540</u>

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

	(Un-audited) March 31, 2016	(Un-audited) March 31, 2015
	(Rupees in thousand)	
16. GAIN ON SALE OF SECURITIES - NET		
Gain on sale of government securities	798,547	565,711
Gain on sale of other investments	33,036	264,820
	<u>831,583</u>	<u>830,531</u>

17. TAX STATUS

- (i) The Bank has filed tax returns for and up to tax year 2015 (year ended 31 December 2014). The assessments for and up to tax year 2014 were amended by the tax authorities mainly in the matters of admissibility of provisions against doubtful debts and diminution in the value of investments, bad debts written off, apportionment of expenses to income exempt from tax or taxable at a lower rate and basis of taxation of commission and brokerage income. The matter of provision against doubtful debts has been decided in favour of the Bank for and up to tax year 2006 up to the level of Appellate Tribunal Inland Revenue [ATIR] whereas partial relief has been provided by the Commissioner Inland Revenue (Appeals) [CIR(A)] on other matters. The Bank and the tax department have filed appeals and reference applications to the higher forums in relation to matters not decided in their favour.

The tax authorities have selected returns for the Tax Years 2009 and 2010 for tax audit which have not yet concluded.

Tax payments made in relation to the matters currently pending are being carried forward as management is confident of their realization as and when the appeals are decided.

- (ii) Consequent upon the amalgamation with and into the Bank, the outstanding tax issues relating to Askari Leasing Limited (ALL) are as follows:

Tax returns of ALL have been filed for and up to tax year 2010. The returns for the tax years 2003 to 2010 were amended by the tax authorities mainly in the matter of admissibility of initial allowance claimed on leased vehicles. On appeals filed by ALL, partial relief was provided by the CIR(A) by allowing initial allowance on commercial vehicles. Re-assessment has not yet been carried out by the tax department. A tax demand is however not likely to arise after re-assessment.

For and up to the assessment years 2002-2003, reference applications filed by the tax authorities in the matter of computation of lease income are pending decisions by the High Court. However the likelihood of an adverse decision is considered low due to a favourable decision of the High Court in a parallel case.

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)
For the quarter ended March 31, 2016

18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity is as follows:-

	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Total
Rupees in '000							
For the quarter ended March 31, 2016 - (Un-audited)							
Total income	40,561	5,515,988	245,604	3,968,530	215,462	15,093	10,001,238
Total expenses	3,617	4,510,364	291,837	3,293,319	19,212	1,346	8,119,695
Net income / (loss)	36,944	1,005,624	(46,233)	675,211	196,250	13,747	1,881,543
For the quarter ended March 31, 2015 - (Un-audited)							
Total income	51,409	6,261,979	269,869	4,209,336	335,682	10,831	11,139,106
Total expenses	5,689	5,188,585	280,762	3,726,106	37,150	1,199	9,239,491
Net income / (loss)	45,720	1,073,394	(10,893)	483,230	298,532	9,632	1,899,615
As at March 31, 2016 - (Un-audited)							
Segment Assets (Gross)	81,168	306,693,795	11,466,546	260,328,810	431,169	30,204	579,031,692
Segment Non Performing Loans	-	-	2,322,101	28,496,034	-	-	30,818,135
Segment Provision Required	-	1,539,312	2,320,545	27,133,425	-	-	30,993,282
Segment Liabilities	838	35,105,567	40,380,378	441,970,882	4,451	312	517,462,428
Segment return on net assets (%)	0.01	1.02	0.05	0.73	0.04	0.00	
Segment cost of funds (%)	0.00	0.88	0.06	0.64	0.00	0.00	
As at December 31, 2015 - (Audited)							
Segment Assets (Gross)	86,739	306,793,691	11,377,589	248,562,141	20,706	11,832	566,852,698
Segment Non Performing Loans	-	-	2,333,680	29,150,037	-	-	31,483,717
Segment Provision Required	-	1,422,250	2,333,573	27,230,161	-	-	30,985,984
Segment Liabilities	860	46,562,157	33,371,163	429,079,269	205	117	509,013,771
Segment return on net assets (%)	0.04	4.79	0.23	3.73	0.01	0.01	
Segment cost of funds (%)	0.00	4.06	0.25	3.16	0.00	0.00	

Islamic Banking Business - Statement of Financial Position

As at March 31, 2016

Annexure
(1 of 3)

The Bank is operating 78 Islamic banking branches including 3 Sub branches at quarter ended March 31, 2016. (December 31, 2015: 78 Islamic banking branches including 3 Sub branches).

	Note	(Un-audited) March 31, 2016 (Rupees in thousand)	(Audited) December 31, 2015
ASSETS			
Cash and balances with treasury banks		2,008,687	1,954,438
Balances with other banks		1,470,487	2,893,478
Due from financial institutions		-	-
Investments		8,294,845	5,873,462
Islamic financing and related assets	A-2.1	22,022,731	20,767,917
Operating fixed assets		565,226	536,261
Deferred tax assets		-	-
Other assets		1,293,258	1,332,515
Total Assets		35,655,234	33,358,071
LIABILITIES			
Bills payable		612,688	525,144
Due to Financial Institutions		1,561,447	806,529
Deposits and other accounts			
-Current Accounts		8,565,517	8,880,659
-Saving Accounts	A-3	11,033,234	10,029,967
-Term Deposits		4,651,581	5,142,651
-Others		249,267	327,526
-Deposit from Financial Institutions - remunerative		3,417,983	2,552,138
-Deposits from Financial Institutions - non-remunerative		98	1,257
Due to Head Office		2,400,000	2,000,000
Other liabilities		919,780	779,852
		33,411,595	31,045,723
Net Assets		2,243,639	2,312,348
REPRESENTED BY			
Islamic Banking Fund		2,725,000	2,725,000
Reserves		-	-
Unappropriated / unremitted loss		(472,386)	(412,652)
		2,252,614	2,312,348
Deficit on revaluation of assets		(8,975)	-
		2,243,639	2,312,348
Remuneration to Shariah Board / Advisor		989	2,979
A-2.1 Islamic Financing and Related Assets			
Murabaha		4,312,472	5,875,189
Ijara		2,945,038	2,813,433
Musharaka		300,000	350,000
Diminishing Musharaka		8,409,020	7,071,961
Salam		5,322,642	4,038,669
Istisna		1,059,478	924,856
Other Islamic Modes		59,860	45,092
		22,408,510	21,119,200
Total provision		(385,779)	(351,283)
	A-2.1.1	22,022,731	20,767,917

Islamic Banking Business - Statement of Financial Position

As at March 31, 2016

A-2.1.1 Islamic Mode of Financing

(Rupees in thousand)

March 31, 2016 - (Un-audited)								
	Murabaha	Ijara	Musharaka	Diminishing Musharaka	Salam	Istisna	Other Islamic Modes	Total
Financing	3,267,932	2,729,933	300,000	8,409,020	5,309,342	664,247	59,860	20,740,334
Advance	1,044,540	215,105	-	-	-	-	-	1,259,645
Inventory	-	-	-	-	13,300	395,231	-	408,531
	4,312,472	2,945,038	300,000	8,409,020	5,322,642	1,059,478	59,860	22,408,510
Provision	(92,307)	(143,337)	-	(145,378)	(4,757)	-	-	(385,779)
Total	4,220,165	2,801,701	300,000	8,263,642	5,317,885	1,059,478	59,860	22,022,731
December 31, 2015 - (Audited)								
	Murabaha	Ijara	Musharaka	Diminishing Musharaka	Salam	Istisna	Other Islamic Modes	Total
Financing	5,159,430	2,617,290	350,000	7,071,961	4,038,669	923,731	45,092	20,206,173
Advance	715,759	196,143	-	-	-	-	-	911,902
Inventory	-	-	-	-	-	1,125	-	1,125
	5,875,189	2,813,433	350,000	7,071,961	4,038,669	924,856	45,092	21,119,200
Provision	(88,628)	(146,692)	-	(115,490)	(473)	-	-	(351,283)
Total	5,786,561	2,666,741	350,000	6,956,471	4,038,196	924,856	45,092	20,767,917

A-3 These includes remunerative current accounts of Rs. 596,717 thousand (December 31, 2015: Rs.735,829 thousand)

Islamic Banking Business - Profit and Loss Account (Un-audited)

For the quarter ended March 31, 2016

Annexure
(2 of 3)

	March 31, 2016	March 31, 2015
	(Rupees in thousand)	
Profit / return earned on financings, investments and placements	475,218	501,766
Return on deposits and other dues expensed	228,500	243,890
Net spread earned	246,718	257,876
Provision against non-performing financings (Reversal of provision) / provision for diminution in the value of investments	34,563	2,037
Bad debts written off directly	(3,390)	11,738
	-	-
	31,173	13,775
Income after provisions	215,545	244,101
Other Income		
Fee, commission and brokerage Income	22,508	10,418
Dividend income	-	-
Income from dealing in foreign currencies	3,507	1,280
Capital gain on sale of securities	160	3,650
Unrealised gain / (loss) on revaluation of investments classified as held for trading	-	-
Other income	6,471	7,118
Total other income	32,646	22,466
	248,191	266,567
Other expenses		
Administrative expenses	307,925	227,834
Other provisions / write offs	-	-
Other charges	-	130
Total other expenses	307,925	227,964
	(59,734)	38,603
Extra Ordinary / unusual items	-	-
(Loss) / profit before taxation	(59,734)	38,603

Islamic Banking Business - Statement of Sources and Uses of Charity Fund

As at March 31, 2016

Annexure
(3 of 3)

	(Un-audited) March 31, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
Opening balance	5,975	2,096
Additions during the period / year		
- received from customers on delayed payments	727	4,768
- Non shariah compliant income	-	498
- profit on charity account	-	1
	727	5,267
Payments / utilization during the period / year		
- Education	-	(300)
- Relief and disaster recovery	-	-
- health	-	(788)
- Orphanage	-	(300)
	-	(1,388)
Closing balance	<u>6,702</u>	<u>5,975</u>

**ASKARI BANK LIMITED
& ITS SUBSIDIARIES**

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION (Un-Audited)
FOR THE QUARTER ENDED MARCH 31, 2016**

Condensed Interim Consolidated Statement of Financial Position (Un-audited)

As at March 31, 2016

		(Un-audited) March 31, 2016	(Audited) December 31, 2015
	Note	(Rupees in thousand)	
Assets			
Cash and balances with treasury banks		28,596,836	29,685,228
Balances with other banks		3,638,130	8,358,930
Lendings to financial institutions		6,514,306	812,898
Investments	7	273,466,350	268,048,928
Advances	8	208,778,565	199,936,549
Operating fixed assets	9	9,348,803	9,278,150
Deferred tax assets - net		-	-
Other assets		18,074,958	20,068,057
		<u>548,417,948</u>	<u>536,188,740</u>
Liabilities			
Bills payable		7,169,708	6,094,885
Borrowings	11	47,336,597	57,323,250
Deposits and other accounts	12	448,798,689	433,130,465
Sub-ordinated loans		4,996,000	4,996,800
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities	10	1,457,481	71,590
Other liabilities		7,863,169	7,497,960
		<u>517,621,644</u>	<u>509,114,950</u>
Net Assets		<u>30,796,304</u>	<u>27,073,790</u>
Represented By:			
Share capital	13	12,602,602	12,602,602
Reserves		9,453,831	6,445,888
Unappropriated profit		1,167,886	2,948,581
		<u>23,224,319</u>	<u>21,997,071</u>
Non-controlling interest		35,111	35,580
		<u>23,259,430</u>	<u>22,032,651</u>
Surplus on revaluation of assets - net of tax	14	7,536,874	5,041,139
		<u>30,796,304</u>	<u>27,073,790</u>
Contingencies and Commitments	15		

The annexed notes 1 to 20 form an integral part of this condensed interim consolidated financial information.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the quarter ended March 31, 2016

		Quarter ended March 31, 2016	Quarter ended March 31, 2015
	Note	(Rupees in thousand)	
Mark-up / return / interest earned		8,404,560	9,508,784
Mark-up / return / interest expensed		4,839,126	5,980,353
Net mark-up / interest income		<u>3,565,434</u>	<u>3,528,431</u>
Provision / (reversal of provision) against non-performing loans and advances - net	8.1	(105,958)	175,296
Impairment loss on available for sale investments		-	42,154
Provision for diminution in the value of investments - net		113,672	109,804
Bad debts written off directly		-	-
		<u>7,714</u>	<u>327,254</u>
Net mark-up / interest income after provisions		<u>3,557,720</u>	<u>3,201,177</u>
Non mark-up / interest income			
Fee, commission and brokerage income		466,075	354,686
Dividend income		43,049	43,984
Income from dealing in foreign currencies		211,475	277,248
Gain on sale of securities - net	16	836,304	832,349
Unrealised gain on revaluation of investments classified as held for trading - net		2,463	3,017
Other income		88,837	178,032
		<u>1,648,203</u>	<u>1,689,316</u>
Total non-markup / interest income		<u>5,205,923</u>	<u>4,890,493</u>
Non mark-up / interest expenses			
Administrative expenses		3,274,184	2,913,144
Other provisions / write offs		-	118
Other charges		45,227	60,094
Total non-markup / interest expenses		<u>3,319,411</u>	<u>2,973,356</u>
		<u>1,886,512</u>	<u>1,917,137</u>
Extra ordinary / unusual items		-	-
Profit before taxation		<u>1,886,512</u>	<u>1,917,137</u>
Taxation - current		614,492	627,162
- prior years'		-	-
- deferred		45,284	15,457
		<u>659,776</u>	<u>642,619</u>
Profit after taxation		<u>1,226,736</u>	<u>1,274,518</u>
Attributable to:			
Equity holders of the Bank		1,227,205	1,273,649
Non-controlling interest		(469)	869
		<u>1,226,736</u>	<u>1,274,518</u>

The annexed notes 1 to 20 form an integral part of this condensed interim consolidated financial information.

- sd -
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Director

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Director

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Chairman

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the quarter ended March 31, 2016

	Quarter ended March 31, 2016	Quarter ended March 31, 2015
	(Rupees in thousand)	
Profit after taxation	1,226,736	1,274,518
Other comprehensive income		
Items that are or may be reclassified subsequently to profit and loss account		
Exchange difference on translation of net investment in Wholesale Bank Branch	43	2,922
Comprehensive income - transferred to statement of changes in equity	1,226,779	1,277,440
Components of comprehensive income not reflected in equity		
Surplus on revaluation of available for sale securities - net of tax	1,600,389	1,076,537
Total comprehensive income	<u>2,827,168</u>	<u>2,353,977</u>
Attributable to:		
Equity holders of the Bank	2,827,637	2,353,108
Non-controlling interest	(469)	869
	<u>2,827,168</u>	<u>2,353,977</u>

The annexed notes 1 to 20 form an integral part of this condensed interim consolidated financial information.

- sd -
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Director

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Director

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Chairman

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the quarter ended March 31, 2016

	Quarter ended March 31, 2016	Quarter ended March 31, 2015
	(Rupees in thousand)	
Cash flow from operating activities		
Profit before taxation	1,886,512	1,917,137
Less: dividend income	(43,049)	(43,984)
	<u>1,843,463</u>	<u>1,873,153</u>
Adjustments:		
Depreciation / amortization	235,949	192,461
(Reversal of provision) / provision against non-performing advances - net	(105,958)	175,296
Impairment loss on sale of investments	-	42,154
Provision for diminution in the value of investments - net	113,672	109,804
Unrealised gain on revaluation of investments classified as held for trading - net	(2,463)	(3,017)
Net profit on sale of operating fixed assets	(1,645)	(1,927)
	<u>239,555</u>	<u>514,771</u>
	<u>2,083,018</u>	<u>2,387,924</u>
(Increase) / decrease in operating assets		
Lendings to financial institutions	(5,701,408)	(723,606)
Held for trading securities	108,996	(5,590)
Advances	(8,729,906)	(4,647,831)
Other assets (excluding advance taxation)	3,392,861	3,007,259
	<u>(10,929,457)</u>	<u>(2,369,768)</u>
Increase / (decrease) in operating liabilities		
Bills payable	1,074,823	4,082,068
Borrowings	(9,986,653)	19,222,450
Deposits and other accounts	15,668,224	(1,540,779)
Other liabilities (excluding current taxation)	365,714	251,383
	<u>7,122,108</u>	<u>22,015,122</u>
Cash flow before tax	<u>(1,724,331)</u>	<u>22,033,278</u>
Income tax paid	(603,315)	(54,178)
Net cash (outflow) / inflow from operating activities	<u>(2,327,646)</u>	<u>21,979,100</u>
Cash flow from investing activities		
Net investments in available for sale securities	(3,705,849)	(12,972,335)
Net investments in held to maturity securities	528,189	(1,620,438)
Dividend income	2,752	2,410
Investments in operating fixed assets	(311,344)	(433,582)
Sale proceeds of operating fixed assets	6,508	10,441
Net cash outflow from investing activities	<u>(3,479,744)</u>	<u>(15,013,504)</u>
Cash flow from financing activities		
Payments of sub-ordinated loans	(800)	(800)
Dividends paid	(1,045)	(876)
Net cash outflow from financing activities	<u>(1,845)</u>	<u>(1,676)</u>
Effect of translation of net investment in Wholesale Bank Branch	43	2,922
(Decrease) / increase in cash and cash equivalents	<u>(5,809,192)</u>	<u>6,966,842</u>
Cash and cash equivalents at beginning of the period	<u>38,044,158</u>	<u>27,678,994</u>
Cash and cash equivalents at end of the period	<u>32,234,966</u>	<u>34,645,836</u>
Cash and cash equivalents at end of the period		
Cash and balances with treasury banks	28,596,836	24,513,465
Balances with other banks	3,638,130	6,723,259
Call money lendings	-	3,409,112
	<u>32,234,966</u>	<u>34,645,836</u>

The annexed notes 1 to 20 form an integral part of this condensed interim consolidated financial information.

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Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)

For the quarter ended March 31, 2016

(Rupees in thousand)

	Share capital	Exchange translation reserve	Share premium account	Statutory reserve	Revenue Reserves		Sub-total	Non-controlling interest	Total
					General reserve	Unappropriated profit			
Balance as at January 01, 2015	12,602,602	89,326	234,669	4,702,503	(202,760)	2,150,029	19,576,369	32,027	19,608,396
Transfer to General reserve:	-	-	-	-	1,862,223	(1,862,223)	-	-	-
Total comprehensive income for the quarter ended March 31, 2015									
Net profit for the quarter ended March 31, 2015	-	-	-	-	-	1,273,649	1,273,649	869	1,274,518
Other comprehensive income related to equity	-	2,922	-	-	-	-	2,922	-	2,922
	-	2,922	-	-	-	1,273,649	1,276,571	869	1,277,440
Transfer to Statutory reserve	-	-	-	251,980	-	(251,980)	-	-	-
Transaction with owners, recorded directly in equity									
Final dividend 2014: Re. 1.00 per share	-	-	-	-	(1,260,260)	-	(1,260,260)	-	(1,260,260)
Balance as at March 31, 2015	12,602,602	92,248	234,669	4,954,483	399,203	1,309,475	19,592,680	32,896	19,625,576
Total comprehensive income for the nine months ended December 31, 2015									
Net profit for the nine months ended December 31, 2015	-	-	-	-	-	3,666,606	3,666,606	2,863	3,669,469
Other comprehensive income related to equity	-	8,581	-	-	-	(10,536)	(1,955)	(179)	(2,134)
	-	8,581	-	-	-	3,656,070	3,664,651	2,684	3,667,335
Transfer to Statutory reserve	-	-	-	756,704	-	(756,704)	-	-	-
Transaction with owners, recorded directly in equity									
Interim dividend 2015: Re. 1.00 per share	-	-	-	-	-	(1,260,260)	(1,260,260)	-	(1,260,260)
Balance as at December 31, 2015	12,602,602	100,829	234,669	5,711,187	399,203	2,948,581	21,997,071	35,580	22,032,651
Transfer to General reserve	-	-	-	-	2,763,314	(2,763,314)	-	-	-
Total comprehensive income for the quarter ended March 31, 2016									
Net profit for the quarter ended March 31, 2016	-	-	-	-	-	1,227,205	1,227,205	(469)	1,226,736
Other comprehensive income related to equity	-	43	-	-	-	-	43	-	43
	-	43	-	-	-	1,227,205	1,227,248	(469)	1,226,779
Transfer to Statutory reserve	-	-	-	244,586	-	(244,586)	-	-	-
Balance as at March 31, 2016	<u>12,602,602</u>	<u>100,872</u>	<u>234,669</u>	<u>5,955,773</u>	<u>3,162,517</u>	<u>1,167,886</u>	<u>23,224,319</u>	<u>35,111</u>	<u>23,259,430</u>

The annexed notes 1 to 20 form an integral part of this condensed interim consolidated financial information.

- sd -
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Director

- sd -
Director

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Chairman

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

1. STATUS AND NATURE OF BUSINESS

Askari Bank Limited (the Bank) was incorporated in Pakistan on October 9, 1991 as a public limited company and commenced business operations from April 01, 1992. The registered office of the Bank is situated at AWT Plaza, the Mall, Rawalpindi and its shares are listed on the Pakistan Stock Exchange (formerly Karachi, Lahore and Islamabad Stock Exchange).

The Fauji Consortium: comprising of Fauji Foundation (FF), Fauji Fertilizer Company Limited (FFCL) and Fauji Fertilizer Bin Qasim Limited (FFBL) collectively owned 71.91 percent shares of the Bank as on March 31, 2016. The Bank has 424 branches (December 31, 2015: 424 branches); 423 in Pakistan and Azad Jammu and Kashmir, including 75 (December 31, 2015: 75) Islamic Banking branches, 32 (December 31, 2015: 32) sub-branches and a Wholesale Bank Branch in the Kingdom of Bahrain.

Askari Investment Management Limited (AIML) was incorporated in Pakistan on May 30, 2005 as a public limited company. AIML is a Non Banking Finance Company (NBFC), under license by the Securities and Exchange Commission of Pakistan (SECP) to undertake asset management and investment advisory services under the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (NBFC & NE Regulations). The license was obtained on September 21, 2005. AIML is a wholly owned subsidiary of the Bank with its registered office in Karachi. AIML obtained its certificate of commencement of business on September 22, 2005.

Askari Securities Limited (ASL) was incorporated in Pakistan on October 1, 1999 under the Companies Ordinance, 1984 as a public limited company. The Bank holds 74% Ordinary Shares of ASL. The principal activity includes share brokerage, investment advisory and consultancy services. The registered office of ASL is situated in Islamabad.

The financial statements of AIML and ASL have been consolidated based on their un-audited financial statements for the quarter ended March 31, 2016.

2. BASIS OF MEASUREMENT

This condensed interim consolidated financial information has been prepared under historical cost convention except that certain fixed assets are stated at revalued amount and certain investments, non-banking assets acquired in satisfaction of claims and commitments in respect of forward foreign exchange contracts have been marked to market and are carried at fair value and certain staff retirement benefits are carried at present value.

This condensed interim consolidated financial information is presented in Pak Rupee which is the Group's functional and presentation currency.

3. STATEMENT OF COMPLIANCE

This condensed interim consolidated financial information of the Group for the quarter ended March 31, 2016 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 34, 'Interim Financial Reporting', requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the provisions of and directives issued by the State Bank of Pakistan (SBP) and Securities and Exchange Commission of Pakistan (SECP). In case the requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the requirements of said directives have been followed.

The disclosures made in this condensed interim consolidated financial information have been limited

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

based on the format prescribed by the SBP vide BSD Circular Letter No. 2 dated May 12, 2004 and International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34) and do not include all the information as required in the annual financial statements. Accordingly, this condensed interim consolidated financial information should be read in conjunction with the annual financial statements of the Group for the year ended December 31, 2015.

SBP vide BSD Circular No. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, 'Financial Instrument: Recognition and Measurement' (IAS 39) and International Accounting Standard 40, 'Investment Property' (IAS 40), for banking companies till further instructions. Further, according to the notification of SECP dated April 28, 2008, the International Financial Reporting Standard 7, 'Financial Instruments: Disclosures' (IFRS 7), has not been made applicable for the banks. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.

The Securities and Exchange Commission of Pakistan vide SRO 56(1)/2016 dated January 28, 2016 has relaxed the requirement of consolidation under IFRS 10, "Consolidated Financial Statements" for companies having investment in mutual funds established under trust structure.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the consolidated financial statements of the Group for the year ended December 31, 2015.

5. ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the consolidated financial statements of the Group for the year ended December 31, 2015.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objective and policies adopted by the Group are consistent with those disclosed in the consolidated financial statements of the Group for the year ended December 31, 2015.

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

7. INVESTMENTS

March 31, 2016 - (Un-audited)			December 31, 2015 - (Audited)		
Held by the Group	Given as collateral	Total	Held by the Group	Given as collateral	Total

(Rupees in thousand)

7.1 Investments by types:

Held for trading securities						
Fully paid ordinary shares	46	-	46	42	-	42
Pakistan Investment Bonds	-	-	-	-	-	-
Units of open end mutual funds	133,900	-	133,900	246,263	-	246,263
	133,946	-	133,946	246,305	-	246,305
Available for sale securities						
Market Treasury Bills	101,416,614	398,973	101,815,587	100,118,219	3,841,766	103,959,985
Pakistan Investment Bonds	110,325,247	32,400,851	142,726,098	97,233,634	41,976,443	139,210,077
Fully paid ordinary shares / units	2,763,377	-	2,763,377	2,856,476	-	2,856,476
Units of open end mutual funds	1,932,101	-	1,932,101	1,783,068	-	1,783,068
Fully paid preference shares	50,100	-	50,100	150,100	-	150,100
Term Finance Certificates	4,398,228	-	4,398,228	4,681,860	-	4,681,860
Sukuk Certificates	4,986,557	-	4,986,557	2,544,682	-	2,544,682
Government of Pakistan Euro Bonds	1,594,175	-	1,594,175	1,374,126	-	1,374,126
Foreign securities	-	-	-	-	-	-
	227,466,399	32,799,824	260,266,223	210,742,165	45,818,209	256,560,374
Held to maturity securities						
Government of Pakistan Euro Bonds	1,690,146	-	1,690,146	2,420,797	-	2,420,797
Sukuk Certificates	5,562,216	-	5,562,216	5,359,754	-	5,359,754
	7,252,362	-	7,252,362	7,780,551	-	7,780,551
Investments at cost	234,852,707	32,799,824	267,652,531	218,769,021	45,818,209	264,587,230
Provision for diminution in value of investments	(1,999,548)	-	(1,999,548)	(1,885,876)	-	(1,885,876)
Investments - net of provisions	232,853,159	32,799,824	265,652,983	216,883,145	45,818,209	262,701,354
Unrealized gain on revaluation of held for trading securities - net	2,463	-	2,463	(900)	-	(900)
Surplus on revaluation of available for sale securities - net	6,357,575	1,453,329	7,810,904	4,408,601	939,873	5,348,474
Total investments	239,213,197	34,253,153	273,466,350	221,290,846	46,758,082	268,048,928

(Un-audited) (Audited)
March 31, 2016 December 31, 2015

(Rupees in thousand)

8. ADVANCES

	Note	(Un-audited) March 31, 2016	(Audited) December 31, 2015
Loans, cash credits, running finances, etc.			
In Pakistan		197,491,698	190,578,408
Outside Pakistan		3,230,039	3,573,890
		200,721,737	194,152,298
Islamic financing and related assets (gross)	A-2.1	22,408,510	21,119,200
Net investment in finance lease - In Pakistan		5,055,626	4,488,060
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		3,652,469	2,979,217
Payable outside Pakistan		5,316,451	5,679,960
		8,968,920	8,659,177
Advances - gross		237,154,793	228,418,735
Provision for non-performing advances			
Specific provision	8.1	(27,923,888)	(28,048,973)
General provision		(206,024)	(196,941)
General provision against consumer loans		(246,316)	(236,272)
		(28,376,228)	(28,482,186)
Advances - net of provision		208,778,565	199,936,549

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

8.1 Particulars of provision against non-performing advances

	March 31, 2016 - (Un - audited)				December 31, 2015 - (Audited)			
	Specific	General	Consumer Financing General	Total	Specific	General	Consumer Financing General	Total
	(Rupees in thousand)							
Opening balance	28,048,973	196,941	236,272	28,482,186	27,801,250	177,555	190,260	28,169,065
Charge for the period / year	539,928	9,187	13,256	562,371	1,790,206	34,687	49,966	1,874,859
Reversal for the period / year	(665,013)	(104)	(3,212)	(668,329)	(1,539,764)	(15,301)	(3,954)	(1,559,019)
Net charge / (reversal) for the period / year	(125,085)	9,083	10,044	(105,958)	250,442	19,386	46,012	315,840
Amounts written off	-	-	-	-	(2,719)	-	-	(2,719)
Closing balance	<u>27,923,888</u>	<u>206,024</u>	<u>246,316</u>	<u>28,376,228</u>	<u>28,048,973</u>	<u>196,941</u>	<u>236,272</u>	<u>28,482,186</u>

8.2 The net Forced Sale Value (FSV) benefit already availed has been decreased by Rs. 146,961 thousand, which has resulted in an increased charge for specific provision for the period by the same amount. Had the FSV benefit not reduced, before and after tax profit for the period would have been higher by Rs. 146,961 thousand (2015: lower by Rs. 45,834 thousand) and Rs. 95,525 thousand (2015: lower by Rs. 29,792 thousand) respectively. Further, at March 31, 2016, cumulative net of tax benefit of FSV is Rs. 1,086,348 thousand (December 31, 2015: Rs. 1,181,873 thousand) under BSD circular No. 1 of 2011 dated October 21, 2011. Reserves and un-appropriated profit to that extent are not available for payment of cash or stock dividend / bonus to employees.

8.3 The Group has availed the relaxation of Rs. 102,460 thousand (December 31, 2015: Rs. 102,567 thousand) allowed by the SBP for maintaining provisions as per time based criteria of Prudential Regulations.

8.4 Advances include Rs. 30,818,135 thousand (December 31, 2015: Rs. 31,483,717 thousand) which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2016 - (Un-audited)				
	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
	(Rupees in thousand)				
Other Assets Especially Mentioned - note 8.4.1	352,657	-	352,657	-	-
Substandard	175,153	-	175,153	21,635	21,635
Doubtful	1,274,392	-	1,274,392	359,123	359,123
Loss	29,015,933	-	29,015,933	27,543,130	27,543,130
	<u>30,818,135</u>	<u>-</u>	<u>30,818,135</u>	<u>27,923,888</u>	<u>27,923,888</u>
Category of classification	December 31, 2015 - (Audited)				
	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
	(Rupees in thousand)				
Other Assets Especially Mentioned - note 8.4.1	313,822	-	313,822	-	-
Substandard	1,202,328	-	1,202,328	199,079	199,079
Doubtful	596,758	-	596,758	86,097	86,097
Loss	29,370,809	-	29,370,809	27,763,797	27,763,797
	<u>31,483,717</u>	<u>-</u>	<u>31,483,717</u>	<u>28,048,973</u>	<u>28,048,973</u>

8.4.1 This represents classification made for Agricultural, Mortgage and Small Entities finances.

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

	Note	(Un-audited) March 31, 2016	(Audited) December 31, 2015
(Rupees in thousand)			
9. OPERATING FIXED ASSETS			
Capital work-in-progress		332,443	318,840
Property and equipment	9.1	8,101,949	8,008,159
Intangibles	9.2	959,850	996,590
		9,061,799	9,004,749
Provision against operating fixed assets		(45,439)	(45,439)
		<u>9,348,803</u>	<u>9,278,150</u>
9.1 Property and equipment			
Book value at beginning of the period / year		8,008,159	6,820,193
Cost of additions during the period / year		290,027	1,897,898
Book value of deletions / transfers during the period / year		(4,525)	(10,349)
Depreciation charge for the period / year		(191,844)	(699,755)
Book value of adjustments		132	172
Book value at end of the period / year		<u>8,101,949</u>	<u>8,008,159</u>
9.2 Intangibles			
Book value at beginning of the period / year		996,590	1,122,389
Cost of additions during the period / year		7,714	50,000
Book value of deletions / transfers during the period / year		(338)	-
Amortization charge for the period / year		(44,105)	(175,812)
Book value of adjustments		(11)	13
Book value at end of the period / year		<u>959,850</u>	<u>996,590</u>
10. DEFERRED TAX LIABILITIES			
Deferred (credits) / debits arising due to:			
Accelerated tax depreciation		(577,251)	(531,967)
Provision for staff benefits		5,823	3,094
Provision against non-performing advances			
- excess of 1% of total advances		2,181,302	2,181,302
- classified in sub-standard category		71,566	71,278
Unused tax losses		22,639	22,639
		<u>1,704,079</u>	<u>1,746,346</u>
Surplus on revaluation of available for sale securities		(2,733,633)	(1,871,966)
Surplus on revaluation of non banking assets		(482,110)	-
Actuarial losses		54,183	54,030
		<u>(1,457,481)</u>	<u>(71,590)</u>

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

	(Un-audited) March 31, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
11. BORROWINGS		
Secured - in Pakistan local currency		
Borrowings from the State Bank of Pakistan:		
- Export refinance scheme	9,124,812	9,314,529
- Long term financing of export oriented projects	7,386	7,386
- Long term financing facility	1,598,365	1,005,047
- Financing facility for storage of agricultural produce	15,000	-
	<u>10,745,563</u>	<u>10,326,962</u>
Repo borrowings		
- State Bank of Pakistan	33,609,796	42,646,764
- Financial Institutions	397,714	3,842,399
	<u>34,007,510</u>	<u>46,489,163</u>
Unsecured - in Pakistan local currency		
- Call borrowings	1,850,000	500,000
- Overdrawn balance with other banks	50	98
	<u>1,850,050</u>	<u>500,098</u>
Outside Pakistan - foreign currencies	46,603,123	57,316,223
- Overdrawn nostro accounts - unsecured	733,474	7,027
	<u>47,336,597</u>	<u>57,323,250</u>

12. DEPOSITS AND OTHER ACCOUNTS

Customers		
Fixed deposits	101,561,614	87,271,214
Savings deposits	227,573,455	230,855,326
Current accounts - remunerative	596,717	735,829
Current accounts - non-remunerative	107,810,387	105,530,938
Special exporters' account	43,795	59,733
Margin accounts	2,703,214	2,724,193
Others	764,723	824,850
Financial institutions		
Remunerative deposits	7,590,842	4,959,028
Non-Remunerative deposits	153,942	169,354
	<u>448,798,689</u>	<u>433,130,465</u>

13. SHARE CAPITAL

13.1 Authorized capital

(Un-audited) March 31, 2016	(Audited) December 31, 2015		(Un-audited) March 31, 2016	(Audited) December 31, 2015
Number of shares				
1,600,000,000	1,600,000,000	Ordinary shares of Rs. 10 each	16,000,000	16,000,000

13.2 Issued, subscribed and paid up capital

(Un-audited) March 31, 2016	(Audited) December 31, 2015		(Un-audited) March 31, 2016	(Audited) December 31, 2015
Number of shares		Ordinary shares of Rs. 10 each:		
514,689,096	514,689,096	Fully paid in cash	5,146,891	5,146,891
717,297,769	717,297,769	Issued as bonus shares	7,172,978	7,172,978
28,273,315	28,273,315	Issued on Askari Leasing Limited merger	282,733	282,733
<u>1,260,260,180</u>	<u>1,260,260,180</u>		<u>12,602,602</u>	<u>12,602,602</u>

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

	(Un-audited) March 31, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
14. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus on revaluation of land	1,564,631	1,564,631
Surplus on revaluation of non banking assets	1,377,456	-
Less: related deferred tax	(482,110)	-
	895,346	-
Surplus / (deficit) on revaluation of available for sale investments		
i) Federal Government securities	7,886,901	5,358,513
ii) Listed shares	(240,558)	(108,910)
iii) Units of open end mutual funds	155,650	136,286
iv) Other securities	8,911	(37,415)
	7,810,904	5,348,474
Less: related deferred tax	(2,734,007)	(1,871,966)
	5,076,897	3,476,508
	<u>7,536,874</u>	<u>5,041,139</u>
15. CONTINGENCIES AND COMMITMENTS		
15.1 Direct credit substitutes	<u>11,321,509</u>	<u>6,791,143</u>
15.2 Transaction-related contingent liabilities		
Money for which the Group is contingently liable:		
Contingent liability in respect of guarantees given on behalf of directors or officers or any of them (severally or jointly) with any other person, subsidiaries and associated undertakings.	603,164	609,971
Contingent liability in respect of guarantees given, favouring:		
i) Government	77,252,649	64,533,613
ii) Banks and other financial institutions	4,330,241	10,575,081
iii) Others	9,114,199	12,944,217
	90,697,089	88,052,911
	<u>91,300,253</u>	<u>88,662,882</u>
These include guarantees amounting to Rs.1,068,362 thousand (December 31, 2015: Rs. 1,038,657 thousand) against which the Group is contesting court proceedings and these are not likely to result in any liability against the Group.		
	(Un-audited) March 31, 2016	(Audited) December 31, 2015
	(Rupees in thousand)	
15.3 Trade-related contingent liabilities	<u>118,891,956</u>	<u>81,107,284</u>
15.4 Other Contingencies		
15.4.1 These represent certain claims by third parties against the Group, which are being contested in the Courts of law. The management is of the view that these relate to the normal course of business and are not likely to result in any liability against the Group.	<u>773,808</u>	<u>761,459</u>
15.4.2 The Group is contesting a case filed against it and some of its employees in the Sindh High Court for declaration and damages. Based on outside legal advice, the case of declaration is likely to be decided in the Group's favour. However, in case of award of damages, the potential liability of the Group is estimated not to be more than Rs. 100 million (December 31, 2015: Rs. 100 million).		

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

15.5 Tax contingencies

Income tax demand of Rs. 9,565 thousand, not acknowledged as debt, has been challenged by ASL and are currently in appeal; ASL expects favourable outcome of appeal.

(Un-audited) March 31, 2016	(Audited) December 31, 2015
(Rupees in thousand)	

15.6 Commitments in respect of forward lending

Commitment against "Repo" transactions

Purchase and resale agreements

Sale and repurchase agreements

6,008,896	292,361
34,054,620	46,551,819

15.7 Commitments in respect of forward exchange contracts

Purchase

Sale

29,626,896	26,019,601
17,884,278	17,473,121

The above commitments have maturities falling within one year.

15.8 Commitments for acquisition of operating fixed assets

186,249	200,797
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15.9 Commitments in respect of forward purchase / sale of listed equity securities

Sale

6,572	30,999
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15.10 Commitments to extend credit

The Group 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 except for

9,924,399	8,789,588
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15.11 Other commitments

This represents participation in the equity of proposed Mortgage Refinance Company.

300,000	300,000
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15.12 Bills for collection

Payable in Pakistan

Payable outside Pakistan

3,067,070	2,280,969
13,275,607	12,517,571
16,342,677	14,798,540

(Un-audited) March 31, 2016	(Un-audited) March 31, 2015
(Rupees in thousand)	

16. GAIN ON SALE OF SECURITIES - NET

Gain on sale of government securities

Gain on sale of other investments

798,547	565,711
37,757	266,638
836,304	832,349

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
For the quarter ended March 31, 2016

17. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity is as follows:-

	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Assets Management	Retail Brokerage	Total
Rupees in '000									
For the quarter ended March 31, 2016 - (Un - audited)									
Total income	40,561	5,515,988	245,604	3,968,530	215,462	15,093	44,431	7,094	10,052,763
Total expenses	3,617	4,510,364	291,837	3,293,319	19,212	1,346	37,674	8,882	8,166,251
Net income / (loss)	36,944	1,005,624	(46,233)	675,211	196,250	13,747	6,757	(1,788)	1,886,512
For the quarter ended March 31, 2015 - (Un - audited)									
Total income	51,409	6,261,979	269,869	4,207,645	335,682	10,832	46,634	14,050	11,198,100
Total expenses	5,689	5,188,585	280,762	3,721,514	37,150	1,199	35,706	10,358	9,280,963
Net income / (loss)	45,720	1,073,394	(10,893)	486,131	298,532	9,633	10,928	3,692	1,917,137
As at March 31, 2016 - (Un - audited)									
Segment Assets (Gross)	81,168	306,693,795	11,466,546	259,879,023	431,169	30,204	422,509	285,006	579,289,420
Segment Non Performing Loans	-	-	2,322,101	28,496,034	-	-	-	-	30,818,135
Segment Provision Required	-	1,539,312	2,320,545	26,945,398	-	-	-	66,216	30,871,471
Segment Liabilities	838	35,105,567	40,380,378	441,972,797	4,451	312	73,553	83,748	517,621,644
Segment return on net assets (%)	0.03	4.07	0.18	2.93	0.16	0.01	0.03	0.01	
Segment cost of funds (%)	0.00	3.51	0.23	2.57	0.01	0.00	0.03	0.01	
As at December 31, 2015 - (Audited)									
Segment Assets (Gross)	86,739	306,793,691	11,377,589	248,146,054	20,706	11,832	413,827	202,474	567,052,912
Segment Non Performing Loans	-	-	2,333,680	29,150,037	-	-	-	-	31,483,717
Segment Provision Required	-	1,422,250	2,333,573	27,042,134	-	-	-	66,215	30,864,172
Segment Liabilities	860	46,562,157	33,371,163	429,043,890	205	117	66,150	70,408	509,114,950
Segment return on net assets (%)	0.04	4.79	0.23	3.73	0.01	0.01	0.01	0.01	
Segment cost of funds (%)	0.00	4.06	0.25	3.16	0.00	0.00	0.03	0.01	

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2016

19. RECLASSIFICATION OF COMPARATIVE FIGURES

There have been no significant reclassifications in this condensed interim consolidated financial information except an amount of Rs. 45,000 thousand which was reclassified in 2015 from income from dealing in foreign currencies to administrative expenses.

20. DATE OF AUTHORISATION

This condensed interim consolidated financial information was authorized for issue by the Board of Directors on April 22, 2016.

- sd -
President & Chief Executive

- sd -
Director

- sd -
Director

- sd -
Chairman

ڈائریکٹرز کی جائزہ رپورٹ

مزید جھس داران

ڈائریکٹرز غیر آڈٹ شدہ اور غیر مدہ شدہ چھ مہینہ عبوری مالیاتی معلومات برائے اختتام سرمایہ 31 مارچ 2016ء پیش کرتے ہیں۔ مالیاتی نتائج کا خلاصہ درج ذیل ہے۔

لوپے ہزاروں میں	
31 مارچ 2016ء	31 مارچ 2015ء
1,889,257	2,226,869
105,958	(175,296)
(113,672)	(151,958)
(7,714)	(327,254)
1,881,543	1,899,615
(658,612)	(639,717)
1,222,931	1,259,898
0.97	1.00

پروٹین ویکس سے قفل منافع
قرضوں کے عوض ریورسل (پروٹین)
سرمایہ کاری کے عوض پروٹین ماہدنگی
قفل از ویکس منافع
ویکس
بعد از ویکس منافع
جیا دی آمدن فی حصص - روپے

زیر جائزہ سرمایہ میں چیک کی کارکنگی بہتری ہے۔ صارفین کی جمع کرائی گئی رقم اختتام سرمایہ 31 مارچ 2016ء کو 449 ارب روپے ہو گئی ہیں جو گزشتہ مالی سال 2015ء کے اختتام کی نسبت 4% زیادہ ہے۔ 31 مارچ 2016ء کو فاصلہ قرضہ جات 209 ارب روپے تھے جو کارکنگی میں 31 دسمبر 2015ء کے 200 ارب روپے سے 4% کمزیر اضافہ ہو کر گئے ہیں۔ ہم مارک اپ آمدن میں 1% کا اضافہ اور جات میں ایز ان اضافے کے اثر کو نظر انداز کر کے، ہر دو روپے کے پچھلے سال کی سرمایہ کی نسبت شرح سود میں کمی سے یہ اضافہ کافی حد تک ذائل ہو گیا ہے۔

اس سرمایہ میں کاروبار اور جات سے متعلق غیر فیڈ آمدن میں 3% کا اضافہ ہوا، ہم پچھلے سال کی پہلی سرمایہ کی نسبت مجموعی فیڈ مارک اپ آمدن میں 2% کا اضافہ کی آئی ہے۔ ہاتھی اخراجات میں 12% کا اضافہ کی بہتری ہوئی ہے۔ کھلی گئی گائی کے لیکر کے اضافی اخراجات ہیں۔

زیر جائزہ سرمایہ کے دوران غیر فعال قرضہ جات 2% کی کمی کے ساتھ 30.8 ارب روپے ہو گئے جو گزشتہ مالی سال 2015ء کے اختتام پر 31.5 ارب روپے تھے۔ یہ کمی فعال طور پر چیک کی طرف سے وصولیوں پر چڑھنے کی وجہ سے ہے۔ نتیجہ کے طور پر غیر فعال اخراجات میں موجود سرمایہ میں فاصلہ پروٹین کم ہو کر 8 ملین روپے ہو گئی، جو گزشتہ سال کی پہلی سرمایہ 31 مارچ 2015ء کے اختتام پر 327 ملین روپے تھی۔ یہ خصوصاً اس وجہ سے چیک کو منافع برقرار رکھنے میں کافی مدد ملی یعنی قفل از ویکس منافع 1.88 ارب روپے اور بعد از ویکس منافع 1.22 ارب روپے ہے۔

ہم آپ کے چیک کی 424 بر لیکر ہیں، جن میں 175 اسلاک چیک کی بر لیکر، 32 ڈبلی بر لیکر اور بچرین میں ہول سیل چیک بر لیکر شامل ہیں۔ ہمارے پرانا نامہ روز چیک، بچرین کا موجودہ سال کی دوسری سرمایہ میں فعال ہونا متوقع ہے جو کہ سرمایہ ملک میں ہمارے بڑے ہونے کا دباؤ میں مزید بہداشت کا باعث بنے گا۔ چیک کے کاروبار ریٹیل سٹور اور آمدنی کو بڑھانے کے لئے ہمارے فوجوں میں اضافے کی پالیسی کو جاری رکھنے کے لئے چیک آپریٹنگ سٹور ایجنسی کے ساتھ ایک ریٹیل سٹور ایجنسی کو برقرار رکھنے کے لئے 2016ء کے دوران مزید بر لیکر کھولنے اور باہر سے معاملات اور خدمات متعارف کرانے کا ارادہ رکھتا ہے۔

ہم اپنے گراں قدر صارفین کی طرف سے مسلسل سرپرستی اور تعاون، مثبت چیک آفسل کسٹمر ریلیز اینڈ ایجنسی کی پیشکش اور کسٹمر ریلیز اینڈ ایجنسی کی طرف سے ہاتھی، ہمارے حصص داران کے ہم پر یقین و اعتماد اور ہمارے ملکی اقتصادی امور میں اپنی کاوشوں سے شراکت کا شکر ادا کرتے ہیں جس سے ہمیں مقابلہ کاروباری ماحول میں بہت قدرتی مدد حاصل ہو رہی ہے۔

دستخط
سیڈا ایم جی
پریزیڈنٹ & چیف ایگزیکٹو
دستخط
لیٹینٹ جنرل خالد رفیق خان
حلال امتیاز (ملٹری) (ریٹائرڈ)، ستارا ہائیڈرا
چیئر مین

راولپنڈی
22 اپریل 2016ء

